SAN FRANCISCO PUBLIC LIBRARY
3 1223 06155 2569

5/S

San Francisco Public Library

GOVERNMENT INFORMATION CENTER
SAN FRANCISCO PUBLIC LIBRARY
REFERENCE BOOK

Not to be taken from the Library

JUL 17 2002

Digitized by the Internet Archive
in 2017 with funding from
San Francisco Public Library

https://archive.org/details/minutesagendashe1989sanf

3 1223 06155 2569

SF
H25
#2
1/10/89

HEALTH SERVICE SYSTEM
REGULAR MEETING OF THE HEALTH SERVICE BOARD
OF THE CITY AND COUNTY OF SAN FRANCISCO
HELD IN THE BOARD MEETING ROOM
1212 MARKET STREET, MEZZANINE LEVEL
SAN FRANCISCO, CALIFORNIA 94102

TUESDAY - JANUARY 10, 1989 - 4:00 P.M.

A G E N D A

DOCUMENTS DEPT.
JAN 5 1989
SAN FRANCISCO
PUBLIC LIBRARY

1. Call to Order.

2. Pledge of Allegiance.

3. Roll Call: President Bernstein, Commissioner Deignan, Commissioner Krueger, Commissioner Molinari, Vice-President Paretchan, Commissioner Zvanski

4. Minutes of Regular Meeting of December 13, 1988 submitted for approval.

5. Actuarial Report - Rael & Letson

6. Report of the Appeals Committee - Commissioner Paretchan, Chair

7. Old Business -

   a. Relocation of Health Service System
   b. Status Report on Cafeteria Plan

8. New Business -

   a. Certification of Employer Contribution for 1989-90 Fiscal Year
   b. Consideration of Amendment to Safeguard Dental Plan Contract

9. Executive Director's Report -

10. Announcements -

11. Adjournment -

Dist. 'C'

0143A-2

SF
H25
#3
1/10/89

Minutes

HEALTH SERVICE SYSTEM
REGULAR MEETING OF THE HEALTH SERVICE BOARD
OF THE CITY AND COUNTY OF SAN FRANCISCO
HELD IN THE BOARD MEETING ROOM
1212 MARKET STREET, MEZZANINE LEVEL
SAN FRANCISCO, CALIFORNIA 94102

DOCUMENTS DEPT.
MAR 17 1989
SAN FRANCISCO
PUBLIC LIBRARY

TUESDAY - JANUARY 10, 1989 - 4:00 P.M.

1. CALL TO ORDER - President Bernstein called the meeting to order at 4:00 P.M.

2. PLEDGE OF ALLEGIANCE -

3. ROLL CALL -

PRESENT: President Bernstein, Vice-President Paretchan, Commissioner Deignan, Commissioner Zvanski, Commissioner Krueger

ABSENT: Commissioner Molinari

4. MINUTES OF REGULAR MEETING OF DECEMBER 13, 1988 SUBMITTED FOR APPROVAL.

Motion was made by Commissioner Zvanski and seconded to approve the minutes of the Regular Meeting of December 13, 1988, as submitted and the motion was adopted (5-0 vote).

5. ACTUARIAL REPORT -

Rael & Letson - Mr. Tito Rael presented the experience through December reflecting a 92% overall loss ratio for medical benefits, 108% for prescription drugs, 93% for vision and 94% for all benefits (Exhibit 'A'). The report was ordered filed. (Information item only).

6. REPORT OF APPEALS COMMITTEE -

Commissioner Paretchan reported and made a motion, which was seconded, to adopt the recommendations of the Committee to approve 8 appeals and deny 3 appeals. The motion was adopted (5-0 vote).

7. OLD BUSINESS -

a. Relocation of Health Service System -

Mr. Smith reported that preliminary space planning has started and that a request has been made to the Retirement Board to use their Board Room for meetings. (Information item only).

4 48533 SFPL FORM 75

7. OLD BUSINESS - (cont'd)

b. Status Report on Cafeteria Plan -

Mr. Smith reported updated figures on enrollment in the dental and disability plan. As of January 3rd, there were 1,616 employees in the Colonial Dental Plan, 2,275 in DentiCare, 1,401 in Safeguard and 5,070 in the Colonial Disability Plan. There are still a significant number of payroll deduction problems to be resolved.

Representatives from DentiCare, Colonial and Employee Benefit Specialists responded to questions and concerns expressed by Board members. (Information item only).

8. NEW BUSINESS -

a. Certification of Employer Contribution for 1989-90 Fiscal Year -

After presentation to the Board and discussion of the annual survey results, Commissioner Paretchan made a motion, which was seconded, to certify by resolution to the Board of Supervisors the rate of $122.29 per month as the employer contribution for the 1989-90 fiscal year (Exhibit 'B'). The motion passed (5-0 vote).

b. Consideration of Amendment to Safeguard Dental Plan Contract -

Commissioner Paretchan made a motion, which was seconded, to approve amendment of the Safeguard agreement allowing enrollment at different dental offices for eligible members of a family not living in the same geographical area. The motion passed (5-0 vote).

9. EXECUTIVE DIRECTOR'S REPORT - Mr. Smith reported the following:

a. The outstanding claim count was 3,084 as of Friday, (1/6/89) up from 2,060 last month. Holidays and staff vacation time accounting for increase.

b. The Investment Report (Exhibit 'C') reflects interest earnings of approximately $405,000 through November.

c. Lindquist & Co. expects to complete the prescription drug audit by the end of January.

d. Maxicare has terminated their MediCal contract impacting about 19 City employees at two medical clinics which will be closed down as a result of this action.

e. Aetna Life Insurance intends to acquire 20% of Bay Pacific Health Plan.

f. The Peat, Marwick management letter was distributed to the Board.

g. A letter has been received from the City Attorney's office asking for information that we are aware of on laws or rules relative to benefits for family members of employees. The request was initiated by the Mayor's office.

10. ANNOUNCEMENTS -

a. The Board set a Rates & Benefits Committee meeting for Thursday, January 19, 1989 at 9:30 A.M. to take up the issue of Health Plan rate and benefit changes for 1989-90.

11. ADJOURNMENT -

There being no further business , President Bernstein adjourned the meeting at 5:05 P.M.

Randall B. Smith

RANDALL B. SMITH
EXECUTIVE DIRECTOR

REPORT BY ACTUARY ON CASH BASIS FOR THE JANUARY 10, 1989
MEETING OF THE HEALTH SERVICE BOARD

PLAN I

Experience for the period July 1, 1988 through December 31, 1988

	CONTRIBUTIONS	CLAIMS	LOSS RATIO FOR MONTH	LOSS RATIO CUMULATIVE
(1) MEDICAL BENEFITS				
Active Employees	$ 5,746,191	$ 5,873,147	92%	102%
Retired Employees (NM)	2,405,476	1,918,086	85	80
Retired Employees (M)	1,922,775	1,214,859	55	63
Adult Dependents (NM)	2,673,932	2,662,670	86	100
Adult Dependents (M)	303,245	261,157	70	86
Minor Dependents	1,428,236[a]	1,427,570	59	100
TOTAL	$ 14,479,855	$ 13,357,489	82%	92%
(2) PRESCRIPTION DRUG BENEFIT				
Active Employees	$ 672,521	$ 806,642	104%	120%
Retired Employees (NM)	320,884	343,033	110	107
Retired Employees (M)	916,687	908,766	108	99
TOTAL	$ 1,910,092	$ 2,058,442	107%	108%
(3) VISION CARE COVERAGES				
Active Employees	$ 242,245	$ 262,231	82%	108%
Retired Employees (NM)	64,360	62,207	58	97
Retired Employees (M)	177,361	126,516	77	71
TOTAL	$ 483,966	$ 450,954	77%	93%
(4) ALL COVERAGES				
Active Employees	$ 6,660,957	$ 6,942,021	93%	104%
Retired Employees (NM)	2,790,720	2,323,326	87	83
Retired Employees (M)	3,016,823	2,250,142	72	75
Adult Dependents (NM)	2,673,932	2,662,670	86	100
Adult Dependents (M)	303,245	261,157	70	86
Minor Dependents	1,428,236	1,427,570	59	100
TOTAL	$ 16,873,913	$ 15,866,885	84%	94%

[a] Includes $300,000 of interest subsidy.

HEALTH SERVICE SYSTEM
ANNUAL MEETING OF THE HEALTH SERVICE BOARD
OF THE CITY AND COUNTY OF SAN FRANCISCO
HELD IN THE BOARD MEETING ROOM
1212 MARKET STREET, MEZZANINE LEVEL
SAN FRANCISCO, CALIFORNIA 94102

TUESDAY - JANUARY 10, 1989 - 5:00 P.M.

A G E N D A

DOCUMENTS DEPT.
JAN 5 1989
SAN FRANCISCO
PUBLIC LIBRARY

1. CALL TO ORDER.

2. PLEDGE OF ALLEGIANCE.

3. ROLL CALL:

PRESIDENT BERNSTEIN	COMMISSIONER MOLINARI
COMMISSIONER DEIGNAN	VICE-PRESIDENT PARETCHAN
COMMISSIONER KRUEGER	COMMISSIONER ZVANSKI

4. PRESIDENT'S REMARKS -

5. COMMISSIONER'S REMARKS -

6. ACTUARY REMARKS -

7. EXECUTIVE DIRECTOR'S REMARKS -

   a. 1987-88 DRAFT ANNUAL REPORT

8. PUBLIC COMMENTS -

9. ADJOURNMENT -

DIST. 'C'

SF
425
2
2/21/89

HEALTH SERVICE SYSTEM
RESCHEDULED REGULAR MEETING OF THE HEALTH SERVICE BOARD
OF THE CITY AND COUNTY OF SAN FRANCISCO
HELD IN THE BOARD MEETING ROOM
1212 MARKET STREET, MEZZANINE LEVEL
SAN FRANCISCO, CALIFORNIA 94102

TUESDAY - FEBRUARY 21, 1989 - 4:00 P.M.

A G E N D A

DOCUMENTS DEPT.
FEB 16 1989
SAN FRANCISCO
PUBLIC LIBRARY

1. Call to Order.

2. Pledge of Allegiance.

3. Roll Call: President Bernstein, Vice-President Paretchan, Commissioner Deignan, Commissioner Walker, Commissioner Krueger, Commissioner Zvanski

4. Minutes of Regular Meeting of January 10, 1989 submitted for approval.

5. Actuarial Report - Rael & Letson

6. Report of Appeals Committee - Commissioner Paretchan, Chair

7. Report of Rates and Benefits Committee - Commissioner Krueger, Chair

8. Report of Rules Committee -Commissioner Krueger, Chair

9. Report of Budget Committee - Commissioner Zvanski, Chair

10. Old Business -

    a. Relocation of Health Service System
    b. Status Report on Cafeteria Plan

11. New Business -

    a. Adoption of 1987-88 Annual Report

12. Executive Director's Report -

13. Announcements -

14. Adjournment -

Dist. 'C'

SF
H25
3
2/21/89

Minutes

HEALTH SERVICE SYSTEM
RESCHEDULED REGULAR MEETING OF THE HEALTH SERVICE BOARD
OF THE CITY AND COUNTY OF SAN FRANCISCO
HELD IN THE BOARD MEETING ROOM
1212 MARKET STREET, MEZZANINE LEVEL
SAN FRANCISCO, CALIFORNIA 94102

DOCUMENTS DEPT.
SEP 25 1989
SAN FRANCISCO
PUBLIC LIBRARY

TUESDAY - FEBRUARY 21, 1989 - 4:35 P.M.

1. CALL TO ORDER - President Bernstein called the meeting to order at 4:35 P.M. following a Rates and Benefits Committee meeting.

2. PLEDGE OF ALLEGIANCE -

3. ROLL CALL -

PRESENT: President Bernstein, Vice-President Paretchan, Commissioner Deignan, Commissioner Zvanski, Commissioner Krueger

ABSENT: Commissioner Walker

4. MINUTES OF REGULAR MEETING OF JANUARY 10, 1989 SUBMITTED FOR APPROVAL.

Motion was made by Commissioner Paretchan and seconded to approve the minutes of the Regular Meeting of January 10, 1989, as submitted and the motion was adopted (5-0 vote).

5. ACTUARIAL REPORT -

Rael & Letson - Mr. Tito Rael reported the experience for January at 95% for medical benefits, 84% prescription drug benefit, 79% vision care benefit and 94% overall. The year to date loss ratio overall is also 94% (Exhibit 'A').

6. REPORT OF APPEALS COMMITTEE -

Commissioner Paretchan reported that 8 appeals were considered and he made a motion, which was seconded, to approve the recommendation to approve 5 appeals to add dependents, and to deny 2 appeals for premium refunds, and to deny 1 appeal to change plans. The motion passed unanimously (5-0 vote).

7. REPORT OF RULES COMMITTEE -

Commissioner Krueger reported and made a motion, which was seconded to adopt the Committee's recommendations (Exhibit 'B') to the dependent children eligibility rule to provide that children between 23 and 25 years old must be full time students and to advise the Mayor of the Board's support for formation of a task force to study extended family coverage. The motion passed (5-0 vote).

8. REPORT OF RATES AND BENEFITS COMMITTEE -

Commissioner Krueger reported and made a motion, which was seconded to adopt the Committee's recommendations (Exhibit 'C') on health plan rate and benefit changes for the fiscal year commencing July 1, 1989. The motion was adopted unanimously (5-0 vote).

9. REPORT OF BUDGET COMMITTEE -

Commissioner Zvanski reported no meeting has occurred, however, a meeting has been set for February 28, 1989 at 10:00 A.M.

10. OLD BUSINESS -

a. Mr. Smith reported the Retirement Board has approved use of their Board Room on any Thursday the Health Service Board wants to select for their regular meeting date. Preliminary space planning for the facility site is currently going on. (Informational item only)

b. Mr. Smith reported the number of payroll deduction problems are down considerably and that this problem area appears to be stabilizing. A report was provided to the Board (Exhibit 'D') showing the current enrollment in the dental and disability plans offered. (Informational item only).

c. Annual Report - Commissioner Paretchan made a motion which was seconded, to adopt the annual report (Exhibit 'E') for 1987-88 and authorize its publication. The motion passed (5-0 vote).

11. EXECUTIVE DIRECTOR'S REPORT - Mr. Smith reported the following:

a. The outstanding claim count stands at 2,905 claims compared to 3,084 last month. This is a 3.8 days backlog.

b. The Investment Report (Exhibit 'F') thru December reflects interest earnings of approximately $500,000.

c. The Resolution approving the employer's contribution for 1989-90 was approved by the Board of Supervisors on February 6, 1989.

d. Statement of Annual Economic Interest are due from Board members by April 1st.

e. The announcement for the upcoming Health Service Board Election for the seat of Commissioner Deignan will be issued around March 1st.

12. ANNOUNCEMENTS -

a. Commissioner Paretchan made a motion, which was seconded, requesting that a resolution to approve attendance at an IFEB conference on July 10-12, 1989, be calendared for the March Board meeting. The motion was adopted (5-0 vote).

13. ADJOURNMENT -

There being no further business , President Bernstein adjourned the meeting at 5:10 P.M.

Randall B. Smith

RANDALL B. SMITH
EXECUTIVE DIRECTOR

REPORT BY ACTUARY ON CASH BASIS FOR THE FEBRUARY 21, 1989
MEETING OF THE HEALTH SERVICE BOARD

PLAN I

Experience for the period July 1, 1988 through January 31, 1989

	CONTRIBUTIONS	CLAIMS	LOSS RATIO FOR MONTH	LOSS RATIO CUMULATIVE
(1) MEDICAL BENEFITS				
Active Employees	$ 6,593,307	$ 6,651,297	92%	101%
Retired Employees (NM)	2,799,323	2,254,472	85	81
Retired Employees (M)	2,248,155	1,363,420	46	61
Adult Dependents (NM)	3,070,780	3,195,252	134	104
Adult Dependents (M)	354,065	284,552	46	80
Minor Dependents	1,639,214[a]	1,729,689	143	106
TOTAL	$ 16,704,844	$ 15,478,682	95%	93%
(2) PRESCRIPTION DRUG BENEFIT				
Active Employees	$ 770,621	$ 907,807	103%	118%
Retired Employees (NM)	373,404	388,176	86	104
Retired Employees (M)	1,071,968	1,020,014	72	95
TOTAL	$ 2,215,993	$ 2,315,998	84%	105%
(3) VISION CARE COVERAGES				
Active Employees	$ 277,523	$ 294,272	91%	106%
Retired Employees (NM)	74,897	71,557	89	96
Retired Employees (M)	207,388	144,801	61	70
TOTAL	$ 559,808	$ 510,630	79%	91%
(4) ALL COVERAGES				
Active Employees	$ 7,641,451	$ 7,853,376	93%	103%
Retired Employees (NM)	3,247,624	2,714,205	86	84
Retired Employees (M)	3,527,511	2,528,236	54	72
Adult Dependents (NM)	3,070,780	3,195,252	134	104
Adult Dependents (M)	354,065	284,552	46	80
Minor Dependents	1,639,214	1,729,689	143	106
TOTAL	$ 19,480,645	$ 18,305,310	94%	94%

[a] Includes $350,000 of interest subsidy.

EXHIBIT "9"

HEALTH SERVICE SYSTEM
RULES COMMITTEE MEETING
OF THE HEALTH SERVICE BOARD
OF THE CITY AND COUNTY OF SAN FRANCISCO

HELD AT

1212 MARKET STREET, MEZZANINE LEVEL
SAN FRANCISCO, CA 94102

TUESDAY, FEBRUARY 21, 1989 - 1:45 P.M.

A G E N D A

Commissioner Krueger, Chair
Commissioner Deignan
Commissioner Paretchan

ITEM NO. 1 CONSIDERATION OF AMENDMENT TO RULES AND REGULATIONS PART II MEMBERSHIP AND COVERAGE, SUBSECTION B1c DEPENDENTS ELIGIBILITY -

To reduce the age of dependent children eligibility from 25 years to 23 years of age.

COMMITTEE RECOMMENDATION:

To approve a rule change requiring dependent children between 23 to 25 years old to be full time students (effective July 1, 1989) (3-0 vote)

BOARD ACTION:

Approve Committee Recommendation (5-0 vote)

2 REQUEST OF MAYOR'S OFFICE FOR HEALTH SERVICE BOARD'S POSITION ON FORMATION OF TASK FORCE AS PROPOSED IN SUPERVISOR NELDER'S PROPOSED LEGISLATION (FILE NO. 175-88)

COMMITTEE RECOMMENDATION:

To advise the Mayor's office that the Board supports the formation of a task force to study extended family coverage and that the task force should include representation from health plan contractors, the Health Service Board and staff, the System actuary and other actuaries with expertise in health insurance and possibly representatives from employee organizations both active and retired (3-0 vote).

BOARD ACTION:

Approve Committee Recommendation (5-0 vote)

ITEM NO. 1 CONSIDERATION OF AMENDMENT TO RULES AND REGULATIONS PART II MEMBERSHIP AND COVERAGE, SUBSECTION B1c DEPENDENTS ELIGIBILITY -

To reduce the age of dependent children eligibility from 25 years to 23 years of age.

This proposal would create the termination of approximately 1,580 claimed dependent children as of June 30, 1989. Each claimed dependent would have the option of continuing coverage under the group for up to 36 months under the Federal COBRA Law. They could also continue individual coverage in the HMO plans by contacting the health plan within 30 days of termination.

Another 850 individuals will also be terminated in the next year if this rule change is adopted.

The System currently has the following dependents in the age bracket 19-25 years:

24	-	760
23	-	821
22	-	849
21	-	885
20	-	928
19	-	1,104
		5,347

Proposed draft language is included for review. The only health plan providing an immediate rate reduction is Kaiser with an $.85 reduction in each rate structure if the age is reduced to 23 years and an additional $.27 reduction if a full time student requirement is added.

Our actuaries project that the rule change will probably result in a positive influence on our minor dependent claim experience. It is unlikely that any rate reduction will be given by the other HMO's in the future because of the rule change. No other HMO, with the exception of Kaiser, factors in a rate surcharge for extending eligibility beyond 19 and 23 years of age.

Members on a non-paid status, i.e. authorized leave without pay, suspension are considered City, School District or Community College District employees and are entitled to continuation of health coverage provided any contributions due from the member are not delinquent.

7. Military Leave

Coverage of a member on leave without pay for military service may be suspended for the duration of such leave, provided such member notifies the System, in advance, of such leave. Coverage shall be reinstated upon his return to employment. The coverage of dependents of members on military leave may be continued by the payment of monthly contributions, in advance directly to the System. If such contributions become delinquent, dependent coverage shall be terminated and shall not be reinstated until the member's coverage is reinstated.

B - DEPENDENTS

Dependents of a member shall be eligible for coverage subject to the following conditions and limitations:

1. - Eligibility

a. A member's legal spouse. A spouse from whom the member has been granted a final dissolution of marriage, or from whom he is legally separated shall not be eligible.

b. Unmarried children of the member from birth to ((nineteen (19) years.)) twenty-three (23) years of age who meet all of the following conditions:

1) Dependent is not married
2) Dependent does not work full time
3) Dependent continues to reside in the home, except for full-time students.
4) Dependent is eligible to be declared as a dependent child on member's income tax return.

c. Adult dependent of the member, who shall include Children between the ages of ((nineteen (19) and)) twenty-three (23) years and twenty-five (25) years of age who meet all of the following conditions:

1. Dependent is attending a recognized college or university, trade or secondary school on a full-time basis. Full time is defined as the minimum requirement necessary to classify a student as full time at that recognized school.
((1.)) 2. Dependent is not married.
((2. Dependent does not work full time)).
((3. Dependent continues to reside in the home, except for full-time students.))
((4.)) 3. Dependent is eligible to be declared as a dependent child on ((your)) member's income tax return.

d. For the purpose of (b) and (c) above, children shall include:

1) Natural child of the member 2) step-child so long as

EXHIBIT "C"

HEALTH SERVICE SYSTEM
RATES AND BENEFITS COMMITTEE MEETING
OF THE HEALTH SERVICE BOARD
OF THE CITY AND COUNTY OF SAN FRANCISCO

HELD AT

1212 MARKET STREET, MEZZANINE LEVEL
SAN FRANCISCO, CA 94102

FEBRUARY 21, 1989 - 2:15 P.M.

Commissioner Krueger, Chair
Commissioner Paretchan
Commissioner Zvanski

ITEM NO. 1 CONSIDERATION OF PROPOSED HMO RATE AND BENEFIT CHANGES FOR THE 1989-90 FISCAL YEAR (Continued from 1/31/89)

COMMITTEE ACTION: Motion, Zvanski, seconded to adopt Kaiser Rates (Exhibit II) (3-0 vote)

Motion, Paretchan, seconded to adopt Children's Hospital Health Plan Rates (Exhibit III) (3-0 vote)

Motion, Zvanski, seconded to adopt French Hospital Health Plan Rates (Exhibit IV) (3-0 vote)

Motion, Zvanski, seconded to adopt Bay Pacific Health Plan Rates for Premium 100 Plan (Exhibit V) (3-0 vote)

Motion, Paretchan, seconded to adopt Heals Health Plan Rates (Exhibit VI) (3-0 vote)

Motion, Paretchan, seconded to adopt Maxicare Health Plan Rates (Exhibit VII) (3-0 vote)

BOARD ACTION: Approve Recommendations of Committee (5-0 vote)

2 CONSIDERATION OF PROPOSED CITY HEALTH PLAN I RATE AND BENEFIT CHANGES FOR THE 1989-90 FISCAL YEAR (Continued from 1/31/89)

COMMITTEE ACTION: Motion, Paretchan, seconded to adopt City Health Plan Rates (Exhibit I) (3-0 vote)

BOARD ACTION: Approve Recommendation of Committee (5-0 vote)

ITEM NO. 1 CONSIDERATION OF PROPOSED HMO RATE AND BENEFIT CHANGES FOR THE 1989-90 FISCAL YEAR

The proposed rate increase of the the contract health plans range from 15.6% to 21.9%. The rates are based on a community rating system consistent with the specific benefit package and demographics of the City's group.

Although the rates represent significant increases, they are consistent with the trend in the health care industry and reflective of the high cost medical area in which we are situated.

Each health plan has indicated that the rates quoted do not exceed that charged any other employer for the same benefit package and demographic mix consistent with the differential in renewal dates.

BENEFIT CHANGES

All Health Plans will expand benefits where required to conform with the Medicare Catastrophic Health Care Act of 1988.

Kaiser - Hospice Care is being added as a benefit in 1989.

Children's - Prescription drug copayment raised from $4 to $5.
Service area expanded because of merger with IPM Health Plan.

French - Skilled Nursing benefit expanded from 25 to 30 days. Prior hospitalization not required.

Bay Pacific - $100 copayment per inpatient hospitalization

Maxicare - Office visit copayment -0- to $4.00
Prescription Drug Copayment $2 to $5.00
1st Mental Health Visit -0- to $4.00

KAISER FOUNDATION HEALTH PLAN
PREMIUM RATE SCHEDULE FISCAL YEAR 1989-90

SCRIBER EGORIES	CONTRACT RATE B-W	CONTRACT RATE MO.	EMPLOYER CONTRIBUTION ACTIVE B-W	EMPLOYER CONTRIBUTION ACTIVE EMPLOYEE MO.	EMPLOYER RETIRED CONTRIB. MONTHLY	EMPLOYEE CONTRIBUTION 1989-1990 B-W	EMPLOYEE CONTRIBUTION 1989-1990 MO.	EMPLOYEE CONTRIBUTION 1988-89	VARIANCE
LOYEE	48.44	104.96	48.44	104.96		-0-	-0-	-0-	-
M (103.96)	96.42	208.92	48.44	104.96		47.98	103.96	89.07	+14.89
M or more (70.15)	128.80	279.07	48.44	104.96		80.36	174.11	148.68	+25.43
IRED/S.S/S.D./									
)		104.96			104.96	-0-	00.00		-
M (103.96)		208.92			104.96	103.96	89.07		+14.89
(56.28)		161.24			104.96	56.28	50.64		+ 5.64
M or more (70.15)		279.07			104.96	174.11	148.68		+25.43
+1NM or more(70.15)		231.39			104.96	126.43	110.25		+16.18
IRED/S.S./S.D./									
		61.36			61.36	-0-	-0-		-
M (103.96)		165.32			61.36	103.96	89.07		+14.89
(56.28)		117.64			61.36	56.28	50.64		+ 5.64
M or more (70.15)		235.47			61.36	174.11	148.68		+25.43
+1NM or more(70.15)		187.79			61.36	126.43	110.25		+16.18
RA PARTICIPANT(NM)		107.05				107.05	93.91		+13.14
M (106.04)		213.09				213.09	184.76		+28.33
M or more (71.56)		284.65				284.65	245.56		+39.09

IBOLS: NM = No Medicare, Part A only or Part B only
M = Medicare, Part A&B
S.S. = Surviving Spouse
S.D. = Surviving Dependent

TE: Individuals in the Surviving Dependent category pay the contract rate.

c. 0055X

BRIDGEWAY HEALTH PLAN
FORMERLY CHILDREN'S HOSPITAL HEALTH PLAN
PREMIUM RATE SCHEDULE FISCAL YEAR 1989-90

SCRIBER EGORIES		CONTRACT RATE		EMPLOYER CONTRIBUTION ACTIVE	EMPLOYEE	EMPLOYER RETIRED CONTRIB.	EMPLOYEE CONTRIBUTION 1989-1990		1988-89	VARIANCE
		B-W	MO.	B-W	MO.	MONTHLY	B-W	MO.	MO	
LOYEE		51.73	112.08	51.73	112.08		-0-	-0-	-0-	-
M	(110.67)	102.81	222.75	51.73	112.08		51.08	110.67	98.40	+12.27
M or more	(57.05)	129.14	279.80	51.73	112.08		77.41	167.72	148.60	+19.12
/S.S/S.D./										
			112.08			112.08	-0-	-0-	-	
M	(110.67)		222.75			112.08	110.67	98.40	+ 12.27	
	(61.00)		173.08			112.08	61.00	54.00	+ 7.00	
M or more	(57.05)		279.80			112.08	167.72	148.60	+ 19.12	
+1NM or more	(57.05)		230.13			112.08	118.05	104.20	+ 13.85	
IRED/S.S./S.D./										
			61.00			61.00	-0-	-0-	-	
M	(110.67)		171.67			61.00	110.67	98.40	+ 12.27	
	(61.00)		122.00			61.00	61.00	54.00	+ 7.00	
M or more	(57.05)		228.72			61.00	167.72	148.60	+ 19.12	
+1NM or more	(57.05)		179.05			61.00	118.05	104.20	+ 13.85	
RA PARTICIPANT(NM)			114.32				114.32	97.71	+16.61	
M	(112.88)		227.20				227.20	198.08	+29.12	
M or more	(58.19)		285.39				285.39	249.28	+36.11	

BOLS: NM = No Medicare, Part A only or Part B only S.S.= Surviving Spouse
M = Medicare, Part A&B S.D.= Surviving Dependent

E: Individuals in the Surviving Dependent category pay the contract rate.

FRENCH HOSPITAL HEALTH PLAN
PREMIUM RATE SCHEDULE FISCAL YEAR 1989-90

SCRIBER EGORIES		CONTRACT RATE B-W	CONTRACT RATE MO.	EMPLOYER CONTRIBUTION ACTIVE EMPLOYEE B-W	EMPLOYER CONTRIBUTION ACTIVE EMPLOYEE MO.	EMPLOYER RETIRED CONTRIB. MONTHLY	EMPLOYEE CONTRIBUTION 1989-1990 B-W	EMPLOYEE CONTRIBUTION 1989-1990 MO.	EMPLOYEE CONTRIBUTION 1988-89	VARIANCE
LOYEE		49.56	107.38	49.56	107.38		-0-	-0-	-0-	-
M	(112.22)	101.35	219.60	49.56	107.38		51.79	112.22	83.20	+29.02
M or more	(53.30)	125.95	272.90	49.56	107.38		76.39	165.52	128.96	+36.56
./S.S/S.D./										
)			107.38			107.38		-0-	-0-	-
M	(122.22)		219.60			107.38		112.22	83.20	+29.02
	(57.00)		164.38			107.38		57.00	50.50	+ 6.50
M or more	(53.30)		272.90			107.38		165.52	128.96	+36.56
M+1NM or more	(53.30)		217.68			107.38		110.30	96.26	+14.04
IRED/S.S./S.D./										
			57.00			57.00		-0-	-0-	-
M	(112.22)		169.22			57.00		112.22	83.20	+29.02
	(57.00)		114.00			57.00		57.00	50.50	+ 6.50
M or more	(53.30)		222.52			57.00		165.52	128.96	+36.56
M+1NM or more	(53.30)		167.30			57.00		110.30	96.26	+14.04
RA PARTICIPANT(NM)			109.52					109.52	93.35	+16.17
M	(114.47)		223.99					223.99	178.21	+45.78
M or more	(54.36)		278.35					278.35	224.88	+53.47

MBOLS: NM = No Medicare, Part A only or Part B only
M = Medicare, Part A&B
S.S. = Surviving Spouse
S.D. = Surviving Dependent

TE: Individuals in the Surviving Dependent category pay the contract rate.

c. 0055X

BAY PACIFIC HEALTH PLAN
PREMIUM RATE SCHEDULE FISCAL YEAR 1989-90

CRIBER GORIES		CONTRACT RATE B-W	CONTRACT RATE MO.	EMPLOYER CONTRIBUTION ACTIVE EMPLOYEE B-W	EMPLOYER CONTRIBUTION ACTIVE EMPLOYEE MO.	EMPLOYER RETIRED CONTRIB. MONTHLY	EMPLOYEE CONTRIBUTION 1989-1990 B-W	EMPLOYEE CONTRIBUTION 1989-1990 MO.	EMPLOYEE CONTRIBUTION 1988-89	VARIANCE
OYEE		56.26	121.90	56.26	121.90		-0-	-0-	-0-	-
	(120.44)	111.85	242.34	56.26	121.90		55.59	120.44	104.00	+16.44
or more	(59.06)	139.11	301.40	56.26	121.90		82.85	179.50	152.00	+27.50
/S.S/S.D./										
			121.90			121.90		-0-	-0-	-
	(120.44)		242.34			121.90		120.44	104.00	+16.44
	(83.00)		204.90			121.90		83.00	63.00	+20.00
or more	(59.06)		301.40			121.90		179.50	152.00	+27.50
1NM or more	(59.06)		263.96			121.90		142.06	111.00	+31.06
RED/S.S./S.D./										
			84.80			84.80		-0-	-0-	-
	(120.44)		205.24			84.80		120.44	104.00	+16.44
	(83.00)		167.80			84.80		83.00	63.00	+20.00
or more	(59.06)		264.30			84.80		179.50	152.00	+27.50
1NM or more	(59.06)		226.86			84.80		142.06	111.00	+31.06
A PARTICIPANT(NM)			124.33					124.33	108.12	+16.21
	(122.85)		247.18					247.18	214.20	+32.98
or more	(60.24)		307.42					307.42	263.16	+44.26

OLS: NM = No Medicare, Part A only or Part B only
M = Medicare, Part A&B

S.S. = Surviving Spouse
S.D. = Surviving Dependent

: Individuals in the Surviving Dependent category pay the contract rate.

0055X

HEALS HEALTH PLAN

PREMI RATE SCHEDULE FISCAL YEAR 1989 0

RIBER ORIES	CONTRACT RATE B-W	CONTRACT RATE MO.	EMPLOYER CONTRIBUTION ACTIVE EMPLOYEE B-W	EMPLOYER CONTRIBUTION ACTIVE EMPLOYEE MO.	EMPLOYER RETIRED CONTRIB. MONTHLY	EMPLOYEE CONTRIBUTION 1989-1990 B-W	EMPLOYEE CONTRIBUTION 1989-1990 MO.	EMPLOYEE CONTRIBUTION 1988-89	VARIANCE
YEE	53.65	116.25	53.65	116.25		-0-	-0-	-0-	-
(110.97)	104.87	227.22	53.65	116.25		51.22	110.97	99.41	+11.56
or more (62.06)	133.51	289.28	53.65	116.25		79.86	173.03	153.84	+19.19
S.S/S.D./									
		116.25			116.25		-0-	-0-	-
(110.97)		227.22			116.25		110.97	99.41	+11.56
(84.00)		200.25			116.25		84.00	89.86	- 5.86
(94.08)		210.33			116.25		94.08	98.70	- 4.62
(78.46)		194.71			116.25		78.46	79.11	- .65
or more (62.06)		289.28			116.25		173.03	153.84	+19.19
1NM or more(62.06)		262.31			116.25		146.06	144.29	+ 1.77
1NM or more(62.06)		272.39			116.25		156.14	153.13	+ 3.01
NM or more (62.06)		256.77			116.25		140.52	133.54	+ 6.98
ED/S.S./S.D./									
		89.42			89.42		-0-	-0-	-
(110.97)		200.39			89.42		110.97	99.41	+11.56
(84.00)		173.42			89.42		84.00	89.86	- 5.86
(94.08)		183.50			89.42		94.08	98.70	- 4.62
(78.46)		167.88			89.42		78.46	79.11	- .65
or more (62.06)		262.45			89.42		173.03	153.84	+19.19
1NM or more(62.06)		235.48			89.42		146.06	144.29	+ 1.77
1NM or more(62.06)		245.56			89.42		156.14	153.13	+ 3.01
NM or more (62.06)		229.94			89.42		140.42	133.54	+ 6.98
ED/S.S./S.D./									
		94.08			94.08		-0-	-0-	-
(110.97)		205.05			94.08		110.97	99.41	+11.56
(84.00)		178.08			94.08		84.00	89.86	- 5.86
(94.08)		188.16			94.08		94.08	98.70	- 4.62
(78.46)		172.54			94.08		78.46	79.11	- .65
or more (62.06)		267.11			94.08		173.03	153.84	+19.19
1NM or more(62.06)		240.14			94.08		146.06	144.29	+ 1.77
1NM or more(62.06)		250.22			94.08		156.14	153.13	+ 3.01
NM or more (62.06)		234.60			94.08		140.52	133.54	+ 6.98
ED/S.S./S.D./									
		83.38			83.38		-0-	-0-	-
(110.97)		194.35			83.38		110.97	99.41	+11.56
(84.00)		167.38			83.38		84.00	89.86	- 5.86
(94.08)		177.96			83.38		94.08	98.70	- 4.62
(78.46)		162.34			83.38		78.46	79.11	- .65
or more (62.06)		256.91			83.38		173.03	153.84	+19.19
1NM or more(62.06)		229.94			83.38		146.06	144.29	+ 1.77
1NM or more(62.06)		240.02			83.38		156.14	153.13	+ 3.01
NM or more (62.06)		224.40			83.38		140.52	133.54	+ 6.98
A PARTICIPANT(NM)		118.57					118.57	101.90	+16.67
(113.19)		231.76					231.76	203.30	+28.46
or more (63.30)		295.06					295.06	258.82	+36.24

OLS: NM = No Medicare
MA = Medicare Part A only
MB = Medicare Part B only
M = Medicare, Part A&B

S.S. = Surviving Spouse
S.D. = Surviving Dependent

: Individuals in the Surviving Dependent category pay the contract rate.

EXHIBIT 'VII'

MAXICARE HEALTH PLAN
PREMIUM RATE SCHEDULE FISCAL YEAR 1989-90

CRIBER GORIES		CONTRACT RATE		EMPLOYER CONTRIBUTION ACTIVE EMPLOYEE		EMPLOYER RETIRED CONTRIB.	EMPLOYEE CONTRIBUTION 1989-1990		1988-89	VARIANCE
		B-W	MO.	B-W	MO.	MONTHLY	B-W	MO.	MO	
OYEE		53.36	115.62	53.36	115.62		-0-	-0-	-0-	-
	(120.48)	108.97	236.10	53.36	115.62		55.61	120.48	103.09	+17.39
or more	(53.10)	133.48	289.20	53.36	115.62		80.12	173.58	160.04	+13.54
/S.S/S.D./ GNED (NM)			115.62			115.62		-0-	-0-	-
	(120.48)		236.10			115.62		120.48	103.09	+ 17.39
	(69.82)		185.44			115.62		69.82	57.05	+ 12.77
or more	(53.10)		289.20			115.62		173.58	160.04	+ 13.54
1NM or more	(53.10)		238.54			115.62		122.92	118.14	+ 4.78
RED/S.S./S.D./ GNED (M)			69.82			69.82		-0-	-0-	-
	(122.66)		192.48			69.82		122.66	98.95	+ 23.71
	(69.82)		139.64			69.82		69.82	57.05	+ 12.77
or more	(75.19)		267.67			69.82		197.85	160.04	+ 37.81
1NM or more	(76.36)		216.00			69.82		146.18	118.14	+ 28.04
A PARTICIPANT(NM)			117.93					117.93	100.92	+17.01
	(122.89)		240.82					240.82	206.08	+34.74
or more	(54.16)		294.98					294.98	264.16	+30.82

OLS: NM = No Medicare, Part A only or Part B only S.S. = Surviving Spouse
M = Medicare, Part A&B S.D. = Surviving Dependent

E: Individuals in the Surviving Dependent category pay the contract rate.

0055X

PROPOSED 1989-90 CONTRACT RATES

	KAISER	BRIDGEWAY (formerly Children's)	FRENCH	BAY PACIFIC	HEALTH	MAXICARE
ployee/Retired Employee No Medicare						
89-90	104.96	112.08	107.38	121.90	116.25	115.62
88-89	92.07	95.80	91.52	106.00	99.91	98.95
te Increase 89-90	14.0%	17.0%	17.3%	15.0%	16.4%	16.8%
te Increase 88-89	2.0%	4.1%	-0-	9.8%	12.1%	12.0%
ployee + 1 pendent						
89-90	208.92	222.75	219.60	242.34	227.22	236.10
88-89	181.14	194.20	174.72	210.00	199.32	202.04
te Increase 89-90	15.3%	14.7%	25.7%	15.4%	14.0%	16.9%
te Increase 88-89	9.8%	5.5%	-0-	11.1%	12.3%	13.0%
ployee + 2 or re dependents						
89-90	279.07	279.80	272.90	301.40	289.28	289.20
88-89	240.75	244.40	220.48	258.20	253.75	258.99
te Increase 89-90	15.9%	14.5%	23.8%	16.7%	14.0%	11.7%
te Increase 88-89	7.1%	5.6%	-0-	7.0%	12.3%	14.3%
tired Medicare						
89-90	61.36*	61.00	57.00	84.80*	83.88*	69.82*
88-89	52.64	54.00	50.50	63.00	79.75	57.04
te Increase 89-90	16.6%	13.0%	12.9%	34.6%	5.2%	22.4%
te Increase 88-89	[1.5%]	28.6%	-0-	40.0%	10.7%	13.3%
erall Rate Increase 89-90	15.1%	15.4%	19.4%	16.3%	14.9%	15.1%
erall Rate crease 1988-89	5.7%	5.5%	-0-	9.1%	12.2%	13.0%
edicare catastrophic efund included in ate	$ 4.08	-0-	-0-	1.80	5.42	3.26
ojected Premium 89-90 (In Millions)	36.73	6.25	2.81	8.17	1.75	1.61
ojected Premium 88-89 (In Millions)	31.77	5.41	2.35	7.02	1.52	1.40

PROPOSED 1989-90 CONTRIBUTION RATES

	KAISER				CHILDREN'S HOSPITAL				FRENCH			
	BIWEEKLY		MONTHLY		BIWEEKLY		MONTHLY		BIWEEKLY		MONTHLY	
	88-89	89-90	88-89	89-90	88-89	89-90	88-89	89-90	88-89	89-90	88-89	89-90
loyee	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
loyee + 1 dependant	34.49	47.98	89.07	103.96	45.41	51.08	98.40	110.67	38.40	51.79	83.20	112.22
loyee + 2 or more depns	62.10	80.36	148.68	174.11	68.58	77.41	148.60	167.72	59.52	76.39	128.96	165.52
ired-Medicare			-	-0-			-0-	-0-		-0-	-0-	-0-
ired + 1 Depn. Medicare			50.64	56.28			54.00	61.00			50.50	57.00

	BAY PACIFIC				HEALS				MAXICARE			
	BIWEEKLY		MONTHLY		BIWEEKLY		MONTHLY		BIWEEKLY		MONTHLY	
	88-89	89-90	88-89	89-90	88-89	89-90	88-89	89-90	88-89	89-90	88-89	89-90
oyee	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
oyee + 1 dependent	48.00	55.59	104.00	120.44	45.88	51.22	99.41	110.97	47.58	55.61	103.09	120.48
oyee + 2 or more depns	70.15	82.85	152.00	179.50	71.00	79.86	153.84	173.03	73.86	80.11	160.04	173.58
red-Medicare		-0-	-0-	-0-			-0-	-0-		-0-	-0-	-0-
red + 1 Depn. Medicare			63.00	83.00			79.11	78.46			57.05	69.82

ITEM NO. 2 CONSIDERATION OF PROPOSED CITY HEALTH PLAN I RATE AND BENEFIT CHANGES FOR THE 1989-90 FISCAL YEAR

The proposed rates represent an overall increase of 18.9% and contemplates no change in the current benefit package.

The following categories are provided a rate subsidy funded by either interest earnings or reserves held by the System:

	No.	Amount
Active Employees	7,734	$ 1,000,000
Minor Dependent	2,063	702,000
Resigned Employee	164	39,015
		$ 1,741,015

There are no recommendations which have been suggested which will impact the proposed rate structure without an increase in the major medical deductible, PPO copayments, or the standard plan copayment level.

CITY HEALTH PLAN EXHIBIT 'I'

PREMI"" RATE SCHEDULE FISCAL YEAR 1989 ^0

CRIBER GORIES		CONTRACT RATE B-W	CONTRACT RATE MO.	EMPLOYER CONTRIBUTION ACTIVE EMPLOYEE B-W	EMPLOYER CONTRIBUTION ACTIVE EMPLOYEE MO.	EMPLOYER RETIRED CONTRIB. MONTHLY	EMPLOYEE CONTRIBUTION 1989-1990 B-W	EMPLOYEE CONTRIBUTION 1989-1990 MO.	EMPLOYEE CONTRIBUTION 1988-89 MO	VARIANCE
OYEE		74.01	160.35	56.44	122.29		17.57	38.06	24.80	+13.26
	(109.97)	124.76	270.32	56.44	122.29		68.32	148.03	118.79	+29.24
or more	(87.06)	164.94	357.38	56.44	122.29		108.50	235.09	193.20	+41.89
RED/S.S/S.D./										
			301.74			263.68		38.06	24.80	+13.26
	(109.97)		411.71			263.68		148.03	118.79	+29.24
	(76.79)		378.53			263.68		114.85	94.56	+20.29
	(84.79)		386.53			263.68		122.85	93.14	+29.71
	(51.61)		353.35			263.68		89.67	68.91	+20.76
or more	(87.06)		498.77			263.68		234.89	193.20	+41.69
+1NM or more	(87.06)		465.59			263.68		201.91	168.97	+32.94
+1NM or more	(87.06)		473.59			263.68		209.91	167.55	+42.36
-1NM or more	(87.06)		440.41			263.68		176.73	143.32	+33.41
RED/S.S./S.D./										
			210.14			172.08		38.06	24.80	+13.26
	(109.97)		320.11			172.08		148.03	118.79	+29.24
	(76.79)		286.93			172.08		114.85	94.56	+20.29
	(84.79)		294.93			172.08		122.85	93.14	+29.71
	(51.61)		261.75			172.08		89.67	68.91	+20.76
or more	(87.06)		407.17			172.08		235.09	193.20	+41.69
+1NM or more	(87.06)		373.99			172.08		201.91	168.97	+32.94
+1NM or more	(87.06)		381.99			172.08		209.91	167.55	+42.36
-1NM or more	(87.06)		348.81			172.08		176.73	143.32	+33.41
RED/S.S./S.D./										
			214.23			208.07		6.16	-0-	+ 6.16
	(109.97)		324.20			208.07		116.13	93.99	+22.14
	(76.79)		291.02			208.07		82.95	69.76	+13.19
	(84.79)		299.02			208.07		90.95	68.34	+22.61
	(51.61)		265.84			208.07		57.77	44.11	+13.66
or more	(87.06)		411.26			208.07		203.19	168.40	+34.79
+1NM or more	(87.06)		378.08			208.07		170.01	144.17	+25.84
+1NM or more	(87.06)		386.08			208.07		178.01	142.75	+35.26
-1NM or more	(87.06)		352.90			208.07		144.83	118.52	+26.31
RED/S.S./S.D./										
			122.63			116.47		6.16	-0-	+ 6.16
	(109.97)		232.60			116.47		116.13	93.99	+22.14
	(76.79)		199.42			116.47		82.95	69.76	+13.19
	(84.79)		207.42			116.47		90.95	68.34	+22.61
	(51.61)		174.24			116.47		57.77	44.11	+13.66
or more	(87.06)		319.66			116.47		203.19	168.40	+34.79
+1NM or more	(87.06)		286.48			116.47		170.01	144.17	+25.84
+1NM or more	(87.06)		294.48			116.47		178.01	142.75	+35.26
+1NM or more	(87.06)		261.30			116.47		144.83	118.52	+26.31
RA PARTICIPANT(NM)			163.55					163.55	133.54	+30.01
M	(112.17)		275.72					275.72	229.40	+46.32
M or more	(88.80)		364.52					364.52	305.30	+59.22

BOLS: NM = No Medicare, Part A or Part B only
MA = Medicare Part A only
MB = Medicare Part B only
M = Medicare, Part A&B

S.S. = Surviving Spouse
S.D. = Surviving Dependent

E: Individuals in the Surviving Dependent category pay the contract rate.

CITY HEALTH PLAN
1989-90

	Proposed Rates	Contribution Rates Monthly	Biweekly
Employee			
1989-90	160.35	38.06	17.57
1988-89	130.93	24.80	11.45
Rate Increase 89-90	22.5%		
Rate Increase 88-89	15.1%		
Employee + 1 dependent			
1989-90	270.32	148.03	68.32
1988-89	224.92	118.79	54.83
Rate Increase 89-90	20.2%		
Rate Increase 88-89	21.0%		
Employee + 2 or more dependents			
1989-90	357.38	235.09	108.50
1988-89	299.33	193.20	89.17
Rate Increase 89-90	19.4%		
Rate Increase 88-89	17.4%		
Retired Medicare			
1989-90	122.63	6.16	
1988-89	104.81	-0-	
Rate Increase 89-90	17.0%		
Rate Increase 88-89	22.1%		
Retired-No Medicare			
1989-90	301.74	38.06	
1988-89	257.90	24.80	
Rate Increase 89-90	17.0%		
Rate Increase 88-89	20.6%		
Retired Medicare + 1 Dependent Medicare			
1989-90	174.24	57.77	
1988-89	148.92	44.11	
Rate Increase 89-90	17.0%		
Rate Increase 88-89	23.5%		

Overall Rate Increase 1989-90	13.9%
Overall Rate Increase 1988-89	19.0%
Projected Premium 89-90	38.45 million
Projected Premium 88-89	32.33 million

0136A-3

January 19, 1989

CITY AND COUNTY OF SAN FRANCISCO

HEALTH SERVICE SYSTEM

PLAN I PROPOSED RATES 1989-90

Assumptions

1. After the extensive benefit changes that became effective July 1, 1988, it would be too risky to rely solely on the experience from July 1, 1988 to December 31, 1988 (only 6 months) in establishing the rates for the next fiscal year.

2. By formula, the City has raised its' contribution approximately 15%. So as not to make any furthers changes to coverage on a percentage basis, it would be our recommendation to also increase the following 15%:

   i) all employee, retired and dependent rates
   ii) all deductibles and co-pays (rounded)
   iii) the interest subsidy on the minor dependent category ($600,000 x 1.15 = $690,000)

3. As a precautionary measure, realize the adverse active employee category experience and raise this rate another 11.5%.

4. Use $1,000,000 of contingency reserve to reduce active employee rate (worth $10.46 per month).

	Active	Ret. (NM)	Ret. (M)
Current Rate	$ 130.93	$ 257.90	$ 104.81
6 Months Experience	x 1.115		
	$ 145.99		
Inflation & Utilization	x 1.15	x 1.15	x 1.15
	$ 167.89	$ 296.59*	$ 120.53*
$1,000,000 Supplement	10.46		
	$ 157.43		
City's Contribution	122.29		
EE out-of-pocket	$ 35.14		

	AD (NM)	AD (M)	Minor Dep.
Current Rate	$ 93.99	$ 44.11	$ 74.41
Inflation & Utilization	x 1.15	x 1.15	x 1.15
	$108.09	$ 50.73	$ 85.57

* Can allow for resigned teachers to pay at current rates.

PLAN I NON-MEDICARE MONTHLY OUT-OF-POCKET EXPENSES

	1988-89	1989-90	Increase	% Increase
Active	$ 24.80	$ 35.14	$ 10.34	41.7%
Active + 1	$118.79	$143.23	$ 24.44	20.6%
Family	$193.20	$228.80	$ 35.60	18.4%

FURTHER COST CONTAINMENT SUGGESTIONS

1. Commission a medical claims audit. 8-9000
2. Implement some form of mandatory second surgical opinion program.
3. Reduce all prescription drug coverage to 80% of generic substitute unless
   i) there is no generic substitute
   ii) a doctor insists on a brand name
4. Implement annual cap on prescription drugs and/or arithmetic co-pay per $100 (or per 30 day supply).
5. Change dispensing limitation from 90 days to 60 days.

Implement

PROPOSED PLAN I MONTHLY RATES WITH NO INCREASE IN DEDUCTIBLE AND CO-PAYS (assumes 17% inflation and utilization)

Active	Ret (NM)	Ret (M)
$ 160.35	$ 301.74	$ 122.63
AD (NM)	**AD (M)**	**Minor Dep.**
$ 109.97	$ 51.61	$ 87.06

Minor Dependent Subsidy - $600,000 x 1.17 = $702,000

MONTHLY OUT-OF-POCKET EXPENSES (NM)

	1988-89	1989-90	Increase	% Increase
Active	$ 24.80	$ 38.06	$ 13.26	53.5%
Active + 1	$118.79	$148.03	$ 29.24	24.6%
Family	$193.20	$235.09	$ 41.89	21.7%

EXHIBIT "D"

ITEM NO. 10b CAFETERIA PLAN

Payroll Statistics
Source 2/3/89 Payroll

ACTIVE EMPLOYEES	NO.	PREMIUMS	ANNUALIZED
Colonial Dental	1,688	23,454.28	$ 609,811
DentiCare Dental	2,489	20,095.93	500,188
Safeguard Dental	1,314	9,149.45	237,886
Colonial Disability	4,989	107,314.92	2,790,188
Total Premiums Annualized	10,480		$4,138,073
Safeguard Voluntary Deduction	2,146	$13,483	$ 350,558

RETIRED EMPLOYEES (As of 1/30/89)			
Colonial Dental	234	6,604.50	$ 79,254
DentiCare Dental	551	8,084.61	97,015
Safeguard Dental	992	11,463.74	137,565
			$ 313,834

0395A

EXHIBIT "F"

HEALTH SERVICE SYSTEM TRUST FUND
As of December 31, 1988

POOLED CASH INVESTMENT REPORT

	CASH BALANCE AS OF MONTH END		POOLED CASH AVG. CURRENT YIELD		INTEREST EARNED TO DATE		
	1987-88	1988-89	1987-88	1988-89	1987-88	1988-89 MONTH	1988-89 YTD
Y	$12,904,049	$8,232,070	8.29%	9.02%	$89,195.95	$ 62,122.87	$ 62,122.87
UST	15,603,058	9,702,951	8.08	10.01	194,771.78	81,803.48	143,926.35
TEMBER	11,125,041	14,637,152	9.34	8.00	282,247.45	98,094.54	242,020.89
OBER	16,837,733	11,100,207	9.74	9.02	419,903.21	83,955.11	325,976.00
EMBER	8,389.910	11,693,252.	9.55	8.11	480,303.51	78,983.50	404,959.50
EMBER	8,148.882	13,328,693	7.89	8.50	534,383.27	95,019.19	499,978.69
UARY	8,905,145		9.32		604,527.62		
RUARY	8,104,166		.8.53		662,188.01		
CH	11,454,792		8.96		748,060.55		
IL	9,648,026		7.27		807.036.16		
	8,674,294		7.50		861,253.11		
E	8,654,246		8.24		921,086.04		

21/89
0X

HEALTH SERVICE SYSTEM
REGULAR MEETING OF THE HEALTH SERVICE BOARD
OF THE CITY AND COUNTY OF SAN FRANCISCO
HELD IN THE BOARD MEETING ROOM
1212 MARKET STREET, MEZZANINE LEVEL
SAN FRANCISCO, CALIFORNIA 94102

TUESDAY - FEBRUARY 14, 1989 - 4:00 P.M.

THE MEETING SCHEDULED ON FEBRUARY 14, 1989 HAS

BEEN MOVED TO TUESDAY, FEBRUARY 21, 1989.

CF
425
2
2/21/89

HEALTH SERVICE SYSTEM
RESCHEDULED REGULAR MEETING OF THE HEALTH SERVICE BOARD
OF THE CITY AND COUNTY OF SAN FRANCISCO
HELD IN THE BOARD MEETING ROOM
1212 MARKET STREET, MEZZANINE LEVEL
SAN FRANCISCO, CALIFORNIA 94102

TUESDAY - MARCH 21, 1989 - 4:00 P.M.

A G E N D A

DOCUMENTS DEPT.
MAR 17 1989
SAN FRANCISCO
PUBLIC LIBRARY

1. Call to Order.

2. Pledge of Allegiance.

3. Roll Call: President Bernstein, Vice-President Paretchan, Commissioner Deignan, Commissioner Walker, Commissioner Krueger, Commissioner Zvanski

4. Minutes of Regular Meeting of February 21, 1989 submitted for approval.

5. Actuarial Report - Rael & Letson

6. Report of Appeals Committee - Commissioner Paretchan, Chair

7. Report of Rates and Benefits Committee - Commissioner Krueger, Chair

8. Report of Rules Committee -Commissioner Krueger, Chair

9. Report of Budget Committee - Commissioner Zvanski, Chair

10. Old Business -

    a. Relocation of Health Service System
    b. Status Report on Cafeteria Plan

11. New Business -

    a. Resolution authorizing attendance at IFEB conference

12. Executive Director's Report -

13. Announcements -

14. Adjournment -

Dist. 'C'

0143A-2

CF
125
3
21/89

HEALTH SERVICE SYSTEM
RESCHEDULED REGULAR MEETING OF THE HEALTH SERVICE BOARD
OF THE CITY AND COUNTY OF SAN FRANCISCO
HELD IN THE BOARD MEETING ROOM
1212 MARKET STREET, MEZZANINE LEVEL
SAN FRANCISCO, CALIFORNIA 94102

DOCUMENTS DEPT.
MAY 12 1989
SAN FRANCISCO
PUBLIC LIBRARY

Minutes

TUESDAY - MARCH 21, 1989 - 4:45 P.M.

1. CALL TO ORDER - President Bernstein called the meeting to order at 4:45 P.M. following conclusion of the Rates and Benefits Committee meeting.

2. PLEDGE OF ALLEGIANCE -

3. ROLL CALL -

PRESENT: President Bernstein, Vice-President Paretchan, Commissioner Deignan, Commissioner Zvanski, Commissioner Krueger

ABSENT: Commissioner Walker

4. MINUTES OF REGULAR MEETING OF FEBRUARY 21, 1989 SUBMITTED FOR APPROVAL.

Motion was made by Commissioner Krueger and seconded to approve the minutes of the Regular Meeting of February 21, 1989, as submitted and the motion was adopted (5-0 vote).

5. ACTUARIAL REPORT -

Mr. Tito Rael, Rael & Letson, reported the experience for the month of March at 86% and an overall loss ratio of 93% (Exhibit 'A'). It was noted the prescription drug experience still exceeds 100%. The report was ordered filed.

6. REPORT OF APPEALS COMMITTEE -

Commissioner Paretchan made a motion, which was seconded, to adopt the recommendation that the Board approve 8 appeals and deny 7 appeals. The motion was passed unanimously (5-0 vote).

7. REPORT OF RATES AND BENEFITS COMMITTEE -

Commissioner Krueger reported that the Committee recommends that the Maxicare contract not be renewed effective July 1, 1989. Commissioner Paretchan made a motion, which was seconded, that the contract with Maxicare Health Plan not be renewed. The motion passed unanimously (5-0 vote).

Commissioner Krueger also reported the Committee heard comments on the prescription drug audit from Lindquist & Co. and that Paid Prescriptions will appear at the next Committee meeting to respond to the audit.

8. REPORT OF RULES COMMITTEE -

Commissioner Krueger reported the following:

a. The Committee reviewed the Membership Rules and has recommended a number of changes (Exhibit 'B'). Commissioner Paretchan made a motion, which was seconded, to adopt the recommendations on rule changes. The motion passed unanimously (5-0 vote).

b. The Committee heard from staff on the open enrollment implemention plan (Information item only).

c. A discussion of amendment proposals to Charter Section 8.423 was undertaken. The employee representatives and Director will subsequently be meeting with the employee organization representatives. The item was continued in Committee (Information item only).

d. The Committee recommended payment of the Health Service System share of the Preferred Provider Directory Cost pursuant to the agreement with Preferred Health Network. Commissioner Paretchan made a motion, which was seconded, to approve the recommendation of the Committee. The motion passed unanimously (5-0 vote).

9. REPORT OF BUDGET COMMITTEE -

Commissioner Zvanski reported the recommendations of the Committee (Exhibit 'C') and made a motion, which was seconded, to approve the Committee's recommendation and forward the baseline and expanded service budget to the Mayor. The motion passed unanimously (5-0 vote).

10. OLD BUSINESS -

a. Relocation of Health Service System

Mr. Smith provided a space plan to the Board for 1155 Market Street and reported that the move is still planned for July. The Board engaged in a question and answer dialogue with Mr. Romani from the Real Estate Department (Information item only).

b. Status Report on Cafeteria Plan -

Mr. Smith reported that most of the payroll discrepancy problems have been resolved and that employees due refunds will start getting them on the March 28th paycheck. The reason for the delay is the fact that the refunds must be passed back through the payroll system because the premiums were paid pre-tax.

11. NEW BUSINESS -

a. Resolution authorizing attendance at IFEB conference -

Commissioner Paretchan made a motion, which was seconded, to authorize attendance of Board and staff at the International Foundation of Employee Benefit Plans Employee Benefit Institute on July 10-12, 1989. The motion passed (5-0 vote).

12. EXECUTIVE DIRECTOR'S REPORT - Mr. Smith reported the following:

a. The outstanding claim count is at 2,108 claims down from 2,508 last month.

b. The Investment Report (Exhibit 'D') reflects total interest earnings of approximately $584,000 through January, 1989.

13. ANNOUNCEMENTS -

a. The Board rescheduled the April meeting to April 18th. (Note: The meeting was subsequently rescheduled to April 25th).

14. ADJOURNMENT -

There being no further business , President Bernstein adjourned the meeting at 5:14 P.M.

Randall B. Smith

RANDALL B. SMITH
EXECUTIVE DIRECTOR

REPORT BY ACTUARY ON CASH BASIS FOR THE MARCH 21, 1989
MEETING OF THE HEALTH SERVICE BOARD

PLAN I

Experience for the period July 1, 1988 through February 28, 1989

	CONTRIBUTIONS	CLAIMS	LOSS RATIO FOR MONTH	LOSS RATIO CUMULATIVE
(1) MEDICAL BENEFITS				
Active Employees	$ 7,431,172	$ 7,479,025	99%	101%
Retired Employees (NM)	3,197,732	2,548,471	74	80
Retired Employees (M)	2,577,859	1,520,208	48	59
Adult Dependents (NM)	3,460,857	3,529,071	86	102
Adult Dependents (M)	404,993	330,524	90	82
Minor Dependents	1,852,764[a]	1,905,361	82	103
TOTAL	$ 18,925,377	$ 17,312,660	83%	91%
(2) PRESCRIPTION DRUG BENEFIT				
Active Employees	$ 867,441	$ 1,041,145	138%	120%
Retired Employees (NM)	426,684	446,546	110	105
Retired Employees (M)	1,229,074	1,171,131	96	95
TOTAL	$ 2,523,199	$ 2,658,822	112%	105%
(3) VISION CARE COVERAGES				
Active Employees	$ 312,343	$ 325,454	90%	104%
Retired Employees (NM)	85,556	78,895	69	92
Retired Employees (M)	237,813	163,498	61	69
TOTAL	$ 635,712	$ 567,847	75%	89%
(4) ALL COVERAGES				
Active Employees	$ 8,610,956	$ 8,845,624	102%	103%
Retired Employees (NM)	3,709,972	3,073,912	78	83
Retired Employees (M)	4,044,746	2,854,837	63	71
Adult Dependents (NM)	3,460,857	3,529,071	86	102
Adult Dependents (M)	404,993	330,524	90	82
Minor Dependents	1,852,764	1,905,361	82	103
TOTAL	$ 22,084,288	$ 20,539,328	86%	93%

[a] Includes $400,000 of interest subsidy.

SF
125
2
25/89

HEALTH SERVICE SYSTEM
RESCHEDULED REGULAR MEETING OF THE HEALTH SERVICE BOARD
OF THE CITY AND COUNTY OF SAN FRANCISCO
HELD IN THE BOARD MEETING ROOM
1212 MARKET STREET, MEZZANINE LEVEL
SAN FRANCISCO, CALIFORNIA 94102

TUESDAY - APRIL 25, 1989 - 4:00 P.M.

DOCUMENTS DEPT.
APR 20 1989
SAN FRANCISCO
PUBLIC LIBRARY

A G E N D A

1. Call to Order.

2. Pledge of Allegiance.

3. Roll Call: President Bernstein, Vice-President Paretchan, Commissioner Deignan, Commissioner Walker, Commissioner Krueger, Commissioner Zvanski

4. Minutes of Regular Meeting of March 21, 1989 submitted for approval.

5. Actuarial Report - Rael & Letson

6. Report of Appeals Committee - Commissioner Paretchan, Chair

7. Report of Rates and Benefits Committee - Commissioner Krueger, Chair

   a. Paid Prescription Drug Audit
   b. Proposed Change to Charter Section 8.423
   c. Consideration of Alternative Prescription Drug Administrator

8. Old Business -

   a. Relocation of Health Service System

9. New Business -

10. Executive Director's Report -

11. Announcements -

12. Adjournment -

Dist. 'C'

0143A-2

SF
25
3
5/89

Minutes

HEALTH SERVICE SYSTEM
RESCHEDULED REGULAR MEETING OF THE HEALTH SERVICE BOARD
OF THE CITY AND COUNTY OF SAN FRANCISCO
HELD IN THE BOARD MEETING ROOM
1212 MARKET STREET, MEZZANINE LEVEL
SAN FRANCISCO, CALIFORNIA 94102

TUESDAY - APRIL 25, 1989 - 4:00 P.M.

RECEIVED
JUN 14 1989
LIBRARIAN'S OFFICE

1. CALL TO ORDER - President Bernstein called the meeting to order at 4:00 P.M.

DOCUMENTS DEPT.
JUN 15 1989
SAN FRANCISCO
PUBLIC LIBRARY

2. PLEDGE OF ALLEGIANCE -

3. ROLL CALL -

PRESENT: President Bernstein, Vice-President Paretchan, Commissioner Deignan, Commissioner Zvanski, Commissioner Krueger

ABSENT: Commissioner Walker

4. MINUTES OF REGULAR MEETING OF MARCH 21, 1989 SUBMITTED FOR APPROVAL.

Motion was made by Commissioner Paretchan and seconded to approve the minutes of the Regular Meeting of March 21, 1989, as submitted and the motion was adopted (4-0 vote).

5. ACTUARIAL REPORT -

Mr. Tito Rael, Rael & Letson, reported the experience through March, which reflected a 112% loss ratio bringing the overall ratio to 95%. The prescription drug experience was at 161% for the month primarily because of a three invoice billing month by Paid Prescription. Commissioner Krueger made a motion, which was seconded, to accept the actuary's report (Exhibit 'A'). The motion was adopted (5-0 vote). Note: This item was taken out of order after report of Rates and Benefits Committee.

6. REPORT OF APPEALS COMMITTEE -

Commissioner Paretchan reported and made a motion, which was seconded to adopt the recommendation of the Committee to approve five appeals and deny three appeals. The motion was adopted (4-0 vote).

(NOTE: Commissioner Krueger arrived at this time).

7. REPORT OF RATES AND BENEFITS COMMITTEE -

Commissioner Krueger reported the following:

a. Paid Prescription Drug Audit -

The Committee heard a presentation from Lindquist & Co. on the audit and a rebuttal presentation by Paid Prescriptions. It was determined as a result of this audit to consider alternative administrators for the prescription drug program. Commissioner Paretchan made a motion, which was seconded, to accept the audit as submitted by Lindquist & Co. The motion passed (5-0 vote).

7. REPORT OF RATES AND BENEFITS COMMITTEE - (cont'd)

b. Proposed Change to Charter Section 8.423 -

The Committee heard a charter proposal from the actuary and views from a representative of Local 790, Mr. Steve Neuberger, who advocated that June, 1990 and not November, 1989 would be the best time for a Charter amendment. After discussion, it was decided that the Board would work constructively with the employee organizations on a Charter proposal.

Commissioner Zvanski made a motion, which was seconded, to defer consideration of a Charter amendment until the June, 1990 ballot. The motion was adopted (5-0 vote).

c. Consideration of Alternative Prescription Drug Administrator -

The Committee heard presentations and proposals from three alternative administrators, Pharmaceutical Care Network (PCN), Pharmaceutical Card Systems, Inc. (PCS) and Claimspro. The item is referred to the Board without recommendation.

After discussion, Commissioner Paretchan made a motion, which was seconded, to remove Paid Prescriptions as prescription drug administrator for the 1989-90 fiscal year. The motion passed (5-0 vote).

Commissioner Paretchan made a motion, which was seconded, to accept the proposal of Pharmaceutical Card Systems, Inc. (PCS) to administer the prescription drug plan for 1989-90. The motion passed (5-0 vote).

8. OLD BUSINESS -

a. Relocation of Health Service System

Mr. Smith reported that the process is moving slowly and that cost estimates are currently being obtained on build out costs including computer room and file room costs. There may be build out budget constraints that may require changes in alteration plans (Information Item only).

9. NEW BUSINESS -

a. Commissioner Zvanski raised a grievance issue that a member had with Children's Hospital Health Plan. Mr. Ben Hunter of Children's indicated that he would look into the situation.

10. EXECUTIVE DIRECTOR'S REPORT - Mr. Smith reported the following:

a. The outstanding claim count is 2,225 as of last Friday compared to 2,108 in the preceding month. The count has remained consistent for a number of months now which is an encouraging sign.

b. The Investment Report (Exhibit 'B') reflects interest earnings of approximately $67/,000 through February.

10. EXECUTIVE DIRECTOR'S REPORT - (cont'd)

c. Supervisor Britt will announce today that he will introduce legislation regarding benefits for domestic partners. As part of that legislation, a task force will be set up by the Mayor to study the health benefit issue. Currently, only President Bernstein from the Health Service Board is on the proposed task force. The Mayor's office has asked our comments on the makeup of the task force. The President with the concurrence of Board members has recommended that Commissioner Paretchan and Commissioner Zvanski also be placed on the task force and that recommendation will be passed on to the Mayor's office.

Tom McDonough of the Retired Employees Association, requested that a representative of their organization be placed on the task force. Commissioner Paretchan made a motion, which was seconded, to support the placement of a Retired Employee Association member on the task force. The motion passed (5-0 vote).

d. The Clerk of the Board has advised that all Statements of Economic Interest are due no later than April 30, 1989.

11. ANNOUNCEMENTS -

a. Commissioner Paretchan made a motion, which was seconded, to move the May meeting to May 16, 1989. The motion passed (5-0 vote).

12. ADJOURNMENT -

There being no further business, President Bernstein adjourned the meeting at 4:55 P.M.

Randall B. Smith

RANDALL B. SMITH
EXECUTIVE DIRECTOR

REPORT BY ACTUARY ON CASH BASIS FOR THE APRIL 25, 1989
MEETING OF THE HEALTH SERVICE BOARD

PLAN I

Experience for the period July 1, 1988 through March 31, 1989

	CONTRIBUTIONS	CLAIMS	LOSS RATIO FOR MONTH	LOSS RATIO CUMULATIVE
(1) MEDICAL BENEFITS				
Active Employees	$ 8,309,849	$ 8,536,827	120%	103%
Retired Employees (NM)	3,544,530	2,834,066	82	80
Retired Employees (M)	2,895,748	1,779,390	82	61
Adult Dependents (NM)	3,850,520	4,004,238	122	104
Adult Dependents (M)	454,051	375,533	92	83
Minor Dependents	2,069,690[a]	2,113,691	96	102
TOTAL	$ 21,124,388	$ 19,643,744	106%	93%
(2) PRESCRIPTION DRUG BENEFIT				
Active Employees	$ 970,012	$ 1,234,216	188%	127%
Retired Employees (NM)	472,532	529,081	180	112
Retired Employees (M)	1,380,270	1,378,028	137	100
TOTAL	$ 2,822,814	$ 3,141,326	161%	111%
(3) VISION CARE COVERAGES				
Active Employees	$ 349,253	$ 362,153	99%	104%
Retired Employees (NM)	94,836	87,378	91	92
Retired Employees (M)	267,128	184,539	72	69
TOTAL	$ 711,217	$ 634,069	88%	89%
(4) ALL COVERAGES				
Active Employees	$ 9,629,114	$ 10,133,196	126%	105%
Retired Employees (NM)	4,111,898	3,450,526	94	84
Retired Employees (M)	4,543,146	3,341,956	98	74
Adult Dependents (NM)	3,850,520	4,004,238	122	104
Adult Dependents (M)	454,051	375,533	92	83
Minor Dependents	2,069,690	2,113,691	96	102
TOTAL	$ 24,658,419	$ 23,419,140	112%	95%

[a] Includes $450,000 of interest subsidy.

RAEL & LETSON

SF
H25
#2
5/14/89

HEALTH SERVICE SYSTEM
RESCHEDULED REGULAR MEETING OF THE HEALTH SERVICE BOARD
OF THE CITY AND COUNTY OF SAN FRANCISCO
HELD IN THE BOARD MEETING ROOM
1212 MARKET STREET, MEZZANINE LEVEL
SAN FRANCISCO, CALIFORNIA 94102

TUESDAY - MAY 14, 1989 - 4:00 P.M.

DOCUMENTS DEPT.
MAY 12 1989
SAN FRANCISCO
PUBLIC LIBRARY

A G E N D A

1. Call to Order.

2. Pledge of Allegiance.

3. Roll Call: President Bernstein, Vice-President Paretchan, Commissioner Deignan, Commissioner Walker, Commissioner Krueger, Commissioner Zvanski

4. Minutes of Regular Meeting of April 25, 1989 submitted for approval.

5. Actuarial Report - Rael & Letson

6. Report of Appeals Committee - Commissioner Paretchan, Chair

   a. Maria Delgado - Appeal to Full Board

7. Old Business -

   a. Relocation of Health Service System

8. New Business -

   a. Mail Order Prescription Drug Administrator
   b. Open Enrollment Status Report
   c. Request for Administrative Fee Increase from VSP
   d. Request for Administrative Fee Increase from HCE, Inc
   e. Request for Contract Fee Increase from Rael & Letson
   f. Request by Local 790 for Health Benefit Coverage for Per Diem Nurses

9. Executive Director's Report -

10. Announcements -

11. Adjournment -

Dist. 'C'

SF
425
3
5/16/89

3 Minutes

HEALTH SERVICE SYSTEM
RESCHEDULED REGULAR MEETING OF THE HEALTH SERVICE BOARD
OF THE CITY AND COUNTY OF SAN FRANCISCO
HELD IN THE BOARD MEETING ROOM
1212 MARKET STREET, MEZZANINE LEVEL
SAN FRANCISCO, CALIFORNIA 94102

TUESDAY - MAY 16, 1989 - 4:00 P.M.

DOCUMENTS DEPT.
SEP 25 1989
SAN FRANCISCO
PUBLIC LIBRARY

1. CALL TO ORDER - President Bernstein called the meeting to order at 4:00 P.M.

2. PLEDGE OF ALLEGIANCE -

3. ROLL CALL -

PRESENT: President Bernstein, Vice-President Paretchan, Commissioner Deignan, Commissioner Zvanski, Commissioner Krueger

ABSENT: Commissioner Walker

President Bernstein announced the re-election of Commissioner Deignan to the Health Service Board with 8,683 votes against his opponents, Edward Lopatin - 2,761; Jesse J. Ivy - 2,184 and writeins - 229.

4. MINUTES OF REGULAR MEETING OF APRIL 25, 1989 SUBMITTED FOR APPROVAL.

Motion was made by Commissioner Paretchan and seconded to approve the minutes of the Regular Meeting of April 25, 1989, as submitted and the motion was adopted (5-0 vote).

5. ACTUARIAL REPORT -

Mr. Tito Rael, Rael & Letson, reported the experience through April which reflected a 102% loss ratio for the month and 96% year to date (Exhibit 'A'). The active employee category loss ratio is a little high , however, if the overall remains at 105% or less for the remaining two months the overall for the year will be below 100%. After discussion, Commissioner Deignan made a motion, which was seconded, to order the report filed. The motion passed (5-0 vote).

6. REPORT OF APPEALS COMMITTEE -

Commissioner Paretchan reported that eight appeals were heard this month, and he made a motion, which was seconded to approve the Committee's recommendation to approve four appeals and deny four appeals. The motion passed (5-0 vote).

7. OLD BUSINESS -

a. Relocation of Health Service System

Mr. Smith reported that work is still ongoing dealing with the buildout costs and that the file room may have to be moved. Late August is still the projected move date (Information only).

8. NEW BUSINESS -

a. Mail Order Prescription Drug Administrator -

The proposals of America's Pharmacy and Express Pharmacy were presented to the Board. After discussion, Commissioner Paretchan made a motion, which was seconded, to approve America's Pharmacy as the mail order drug administrator. The motion passed 5-0 vote (Exhibit 'B').

The Board also discussed a single dispensing fee limitation by PCS. After discussion on this issue, Commissioner Paretchan made a motion, which was seconded, to approve a dispensing fee of $1.05 per prescription. The motion passed (5-0 vote).

b. Open Enrollment Status Report -

Mr. Smith reported that this was the most active open enrollment in history as was expected. During the 1st two weeks, 2,454 applications were received. This number of applications were not achieved until the last 2 business days last year (Exhibit 'C').

c. Request for Administrative Fee Increase from VSP

After discussion, Commissioner Paretchan made a motion, which was seconded, to approve VSP's request for an administrative increase to $.50 per member per month effective July 1, 1989 (Exhibit 'D'). The motion passed 4-1 vote (Krueger).

d. Request for Administrative Fee Increase from HCE, Inc.

After discussion, Commissioner Krueger made a motion, which was seconded, to approve HCE's request of $.90 per member per month effective July 1, 1989. The motion passed 5-0 vote. (Exhibit 'E').

e. Request for Contract Fee Increase from Rael & Letson -

After discussion, Commissioner Paretchan made a motion, which was seconded, to approve the rate increase to $2,750 per month by Rael & Letson effective July 1, 1989. The motion passed 5-0 vote (Exhibit 'F').

f. Request by Local 790 for Health Benefit Coverage for Per Diem Nurses -

After discussion, Commissioner Deignan made a motion, which was seconded, to continue this item until a City Attorney's opinion is received. The motion passed 5-0 vote.

10. EXECUTIVE DIRECTOR'S REPORT - Mr. Smith reported the following:

a. Medical claims outstanding stood at 2,245 claims versus 2,225 last month.

b. The Investment Report (Exhibit 'G') was presented to the Board.

9. EXECUTIVE DIRECTOR'S REPORT (cont'd.)

c. The Mayor has tentatively approved two of the eight new positions requested and all reclassifications. The budget will be forwarded to the Board of Supervisors for review by June 1st.

d. The ordinance approving benefit plans and rates of employee contribution passed second reading of the Board of Supervisors on May 15th.

e. Maxicare has advised us that they will be terminating their agreement with Ross Valley Medical Clinic effective June 1, 1989. Employees who have selected Ross Valley will receive a letter from Maxicare advising them that they will be transferred to Camino Real, an IPA for the one month left on the contract.

In addition, there are some ongoing problems with employees who have had out of area emergency medical claims which were not paid by March 16th. Those claims can't be paid now because they are within the jurisdiction of the bankruptcy court.

11. ANNOUNCEMENTS -

a. Thomas McDonough of the Retired Employees Association thanked Mr. Smith for speaking at the May monthly Retired Employees meeting.

12. ADJOURNMENT -

Commissioner Paretchan made a motion, which was seconded to adjourn the meeting at 5:06 P.M. The motion passed 5-0 vote.

Randall B. Smith

RANDALL B. SMITH
EXECUTIVE DIRECTOR

REPORT BY ACTUARY ON CASH BASIS FOR THE MAY 16, 1989
MEETING OF THE HEALTH SERVICE BOARD

PLAN I

Experience for the period July 1, 1988 through April 30, 1989

	CONTRIBUTIONS	CLAIMS	LOSS RATIO FOR MONTH	LOSS RATIO CUMULATIVE
(1) MEDICAL BENEFITS				
Active Employees	$ 9,163,547	$ 9,540,756	118%	104%
Retired Employees (NM)	3,929,177	3,194,901	107	81
Retired Employees (M)	3,224,287	2,038,406	79	63
Adult Dependents (NM)	4,244,569	4,328,133	82	102
Adult Dependents (M)	505,197	418,894	85	83
Minor Dependents	2,282,145[a]	2,382,224	126	104
TOTAL	$ 23,348,922	$ 21,903,314	102%	94%
(2) PRESCRIPTION DRUG BENEFIT				
Active Employees	$ 1,068,988	$ 1,365,045	132%	128%
Retired Employees (NM)	524,058	582,662	104	111
Retired Employees (M)	1,537,090	1,524,530	93	99
TOTAL	$ 3,130,136	$ 3,472,237	108%	111%
(3) VISION CARE COVERAGES				
Active Employees	$ 384,865	$ 396,008	95%	103%
Retired Employees (NM)	105,127	97,486	98	93
Retired Employees (M)	297,437	202,833	60	68
TOTAL	$ 787,429	$ 696,327	82%	88%
(4) ALL COVERAGES				
Active Employees	$ 10,617,400	$ 11,301,808	118%	106%
Retired Employees(NM)	4,558,362	3,875,050	95	85
Retired Employees (M)	5,058,814	3,765,769	82	74
Adult Dependents (NM)	4,244,569	4,328,133	82	102
Adult Dependents (M)	505,197	418,894	85	83
Minor Dependents	2,282,145	2,382,224	126	104
TOTAL	$ 27,266,487	$ 26,071,878	102%	96%

[a] Includes $500,000 of interest subsidy.

HEALTH SERVICE SYSTEM
RESCHEDULED REGULAR MEETING OF THE HEALTH SERVICE BOARD
OF THE CITY AND COUNTY OF SAN FRANCISCO
HELD IN THE BOARD MEETING ROOM
1212 MARKET STREET, MEZZANINE LEVEL
SAN FRANCISCO, CALIFORNIA 94102

TUESDAY - MAY 16, 1989 - 4:00 P.M.

A G E N D A

1. Call to Order.

2. Pledge of Allegiance.

3. Roll Call: President Bernstein, Vice-President Paretchan, Commissioner Deignan, Commissioner Walker, Commissioner Krueger, Commissioner Zvanski

4. Minutes of Regular Meeting of April 25, 1989 submitted for approval.

5. Actuarial Report - Rael & Letson

6. Report of Appeals Committee - Commissioner Paretchan, Chair

   a. Maria Delgado - Appeal to Full Board

7. Old Business -

   a. Relocation of Health Service System

8. New Business -

   a. Mail Order Prescription Drug Administrator
   b. Open Enrollment Status Report
   c. Request for Administrative Fee Increase from VSP
   d. Request for Administrative Fee Increase from HCE, Inc.
   e. Request for Contract Fee Increase from Rael & Letson
   f. Request by Local 790 for Health Benefit Coverage for Per Diem Nurses

9. Executive Director's Report -

10. Announcements -

11. Adjournment -

Dist. 'C'

0143A-2

Item No. 8a Mail Order Prescription Drug Administrator

Proposals have been solicited from two mail order drug programs on PCS, Inc. recommended list; America's Pharmacy Inc. and Express Pharmacy Services.

Both companies present quality proposals and staff is confident either will provide appropriate service to our membership.

America's Pharmacy, Inc. has the better price proposal (see page 21 of America's proposal and page 4 of Express Pharmacy proposal) at the lowest cost of three pricing formulas:

a) AWP - 16% plus $2.25 dispensing fee
b) AWP - 13% brands and AWP -35% generic, plus $2.25 dispensing fee
c) America's Pharmacy acquisition cost plus $6.95.

Both Pharmacy Services have the ability to provide a dual copayment system unlike National Pharmacies (PAID), therefore, it would be appropriate to overlay the $4/$9 card copayment for this program also.

As you may be aware, Mail order is underutilized by our membership representing only about 1% of total claims and subscribers. This is caused primarily by the fact that we have a 90 day dispensing limitation at retail and there is no copayment incentive under the mail order.

During the last four quarters, we had a total of only 1,342 mail order claims representing $88,927 in claim costs. This compares to 183,357 card claims representing $4,354,500.

Recommendation: Approve agreement with America's Pharmacy to be billed and administered through PCS with a $4/$9 dual copayment schedule.

Board Action: Approve agreement with America's Pharmacy with $4/$9 copayment (5-0 vote)

Approve dispensing fee of $4.05 per prescription for card plan (5-0 vote)

EXHIBIT "C"

ITEM 8b. OPEN ENROLLMENT STATUS REPORT

Through the 1st two weeks of May, 2,454 applications were filed. The applications were received through the following sources: 1,161 from Colonial, 773 through office visitation and 520 by U.S. mail or interoffice mail.

A summary of those change of enrollments processed through May 12th is as follows:

HEALTH PLANS	EMPLOYEE GAIN/(LOSS)	DEPENDENT GAIN/(LOSS)	TOTAL LIVES
City Health Plan	(5)	27	22
Kaiser	28	80	108
Bridgeway	21	39	60
French	(10)	(2)	[12]
Bay Pacific	(1)	22	21
Heals	18	26	44
Maxicare	(46)	(41)	(87)
Exempt	(5)	-	(5)
	-	151	151

DENTAL PLANS	EMPLOYEES ENROLLED	EMPLOYEES TERMINATED	NET GAIN/(LOSS
Colonial	116	15	101
Safeguard	42	18	24
DentiCare	84	45	39
	242	78	164

DISABILITY PLAN	EMPLOYEES ENROLLED	EMPLOYEES TERMINATED	NET GAIN/(LOSS)
Colonial	325	95	230

A Summary of Health Plan changes is included.

DENTAL AND DISABILITY PLAN MEMBERSHIP

Payroll Statistics
Source 4/28/89 Payroll

ACTIVE EMPLOYEES	NUMBER
Colonial Dental	1,733
DentiCare Dental	2,530
Safeguard Dental	1,343
Colonial Disability	4,877
Safeguard Voluntary Deduction	2,073

RETIRED EMPLOYEES (As of 2/27/89)

Colonial Dental	232
DentiCare Dental	536
Safeguard Dental	989

REPORT NO. : HSD125

HEALTH SERVICE SYSTEM
1212 MARKET STREET
SAN FRANCISCO, CA 94102
MEMBERSHIP: (415) 558-4322

SUMMARY OF CHANGES AS OF 05-15-39

EMPLOYEES FROM:

TO:	PLAN 1	PLAN 2	PLAN 3	PLAN 4	PLAN 5	PLAN 6	PLAN 7	PLAN E	TOTAL	NET GAIN/LOSS
PLAN 1		6	4	1	14	2	8	2	37	5-
PLAN 2	18		3	3	12	1	11	3	53	28
PLAN 3	7	6		5	2		11	1	32	21
PLAN 4	2	2			1		1		6	10-
PLAN 5	7	6		2			15		30	1-
PLAN 6	7	6	1	3	2			2	21	18
PLAN 7										46-
PLAN E	1	1	1						3	5-
TOTAL	42	27	11	16	31	3	46	8	184	

DEPENDENTS FROM:

TO:	PLAN 1	PLAN 2	PLAN 3	PLAN 4	PLAN 5	PLAN 6	PLAN 7	ADD	TOTAL	NET GAIN/LOSS	NET TOTAL LIVES
PLAN 1		6	4		8		9	35	62	27	22
PLAN 2	12		8	2	3	2	4	75	106	80	108
PLAN 3	12	3		1	6		9	23	53	39	60
PLAN 4	1						2	4	7	2-	12-
PLAN 5	4	5					9	29	47	22	21
PLAN 6		4		4	4		9	8	29	26	44
PLAN 7										41-	87-
PLAN E											5-
CANCEL	6	8	2	2	4	1			23		
TOTAL	35	26	14	9	25	3	41	174	327		

151

EXHIBIT "D"

Item No. 8c Request for Administrative Fee Increase from VSP

Vision Service Plan is requesting an administrative fee increase from $.45 per employee to $.50 per employee effective July 1, 1989.

The current fee of $.45 has been in effect since July 1, 1988. The fee prior to that date had been $.47 since July 1, 1983.

The annual cost increase would approximate $8,957 based on the current 14,928 subscribers. Annual administrative cost would increase from approximately $80,611 ($6,718 mo.) to $89,568 ($7,464 mo.).

Recommendation: Approve administrative fee increase.

Board Action: Approve Fee Increase (4-1 Krueger)

NOTICE OF RATE CHANGE

April 28, 1989

VISION SERVICE PLAN
100 HOWE AVENUE, SUITE 200 SOUTH
SACRAMENTO, CALIFORNIA 95825-8293

Mr. Randall B. Smith, Executive Dir.
HEALTH SERVICE SYSTEM CITY AND COUNTY
OF SAN FRANCISCO
1212 Market Street
San Francisco, CA 94102

RE: YOUR VISION CARE PLAN

Dear Mr. Smith:

We have completed a review of your Administrative Service Plan with VSP.

Your current monthly fee of $.45 became effective July 1, 1988. This amounted to 9% of the total revenue. The appropriate amount should be 10% because of your plan's service frequency, deductible, and the size of the group. Your current administrative fee is insufficient. However, we would like to demonstrate our concern for the impact any adjustment could have on your budget; therefore, we are limiting our request for an increase to $.50 effective July 1, 1989. The new monthly fee will be guaranteed for twelve months until July 1, 1990.

For your convenience, we have enclosed a contract amendment form to be signed by the proper authority. Please return one copy of the signed amendment to VSP. The other may be retained for your records.

VSP appreciates your business, and if you have any questions or wish to discuss any aspect of this rate adjustment, please contact Bruce Smith, your Account Executive.

Cordially,

Carole N. Watson

CAROLE N. WATSON, Manager
Contract Administration and Underwriting

Enclosure
CNW/wp1

cc: Fred E. Estes, FRED E. ESTES AGENCY

EXHIBIT "E"

Item No. 8d Request for Administrative Fee Increase from HCE, Inc.

Health Care Evaluation, Inc. is requesting an administrative fee increase of $.10 per subscriber effective March 1, 1989.

HCE provides inpatient utilization review services for City Health Plan employees and dependents in Tuolumne County.

The fee would increase from $.80 to $.90 per subscriber per month and would approximate an annual $130 cost increase ($1,037 to $1,167 based on 108 subscribers).

This is first increase since the inception of the agreement effective February 1, 1985.

Recommendation: Approve administrative fee increase effective July 1, 1989.

Board Action: Approve Fee Increase effective July 1, 1989 (5-0 vote)

1212 West Robinhood Drive, Suite 3-D, Stockton, California 95207, Telephone (209) 951-8711

Health Care
Evaluation Inc.

January 16, 1989

Randall Smith
City and County of San Francisco
Health Service System
1212 Market Street
San Francisco, California 94102

Subject: City and County of San Francisco
Health Service System
Participants employed in Tuolumne
County

Dear Mr. Smith:

As discussed, HCE has reviewed the current rate of $0.80 per subscriber per month for the hospital utilization review program, in effect since February, 1985. To keep this program's fee in line with other HCE programs, HCE proposes to increase the fee to $0.90 per subscriber per month, effective March 1, 1989.

Two copies of the contract amendment for the proposed change are enclosed. Please return one fully executed copy to me.

Enclosed also is an outline of HCE's Ambulatory Care/Outpatient Services Review program. HCE tailors this program to provide utilization review of high cost services provided outside of the inpatient hospital area. Medical claims can also be screened selectively to determine appropriateness of rates and services provided on an ambulatory basis, whether in outpatient special units or physician's offices.

If you would like further information on any HCE programs, please let us know.

Sincerely,

Elaine Hislop

Elaine Hislop
Executive Director

EH:rf

Enclosures

EXHIBIT "F"

Item No. 8e Request for Contract Fee Increase from Rael & Letson

Rael & Letson is requesting an increase of 10% in their monthly service fee to be effective July 1, 1989.

The current annual fee is $30,000 or $2,500 per month and has been in effect since July 1, 1986. This increase would bring the annual cost on this contract to $33,000.

Recommendation: Approve requested contract increase from $2,500 to $2,750 per month.

Board Action: Approve Fee Increase (5-0 vote)

RAEL & LETSON
Consulting Actuaries

AEL R. CLARK, A.S.A.
SMITH, M.A.A.A.
AN B. LIEBERMAN, F.S.A.
LES R. GRUNSKY
RAEL
Y Y. JEW
W. VENUTI, M.A.A.A.
B. KEISER

JUAN B. RAEL, JR., F.S.A. (1967)
EDWARD W. LETSON, M.A.A.A. (RETIRED)

December 20, 1988

San Francisco Health Service System Board
1212 Market Street
San Francisco, California 94102-4861

Attention: Mr. Randall B. Smith

Dear Board Members:

Effective July 1, 1989, we respectfully request a 10% increase in our monthly retainer from $2,500 to $2,750 per month. This will represent the first increase in our fee since July 1, 1986.

Our time requirements have increased due to plan design changes, cost containment strategies, continuous legislation and overhead. We look forward to a continued commitment to the Health Service System that will provide the best possible benefits for your members.

Sincerely,

Tito Rael

TR:ep

5 MARINER'S ISLAND BOULEVARD • TELEPHONE: (415) 341-3311 FAX: (415) 341-5392 • SAN MATEO, CALIFORNIA 94404-2075

.IBIT "G"

HEALTH SERVICE SYSTEM TRUST FUND
As of March 31, 1989

POOLED CASH INVESTMENT REPORT

	CASH BALANCE AS OF MONTH END		POOLED CASH AVG. CURRENT YIELD		INTEREST EARNED TO DATE		
	1987-88	1988-89	1987-88	1988-89	1987-88	1988-89 MONTH	1988-89 YTD
Y	$12,904,049	$8,232,070	8.29%	9.02%	$89,195.95	$ 62,122.87	$ 62,122.87
UST	15,603,058	9,702,951	8.08	10.01	194,771.78	81,803.48	143,926.35
TEMBER	11,125,041	14,637,152	9.34	8.00	282,247.45	98,094.54	242,020.89
OBER	16,837,733	11,100,207	9.74	9.02	419,903.21	83,955.11	325,976.00
EMBER	8,389.910	11,693,252.	9.55	8.11	480,303.51	78,983.50	404,959.50
EMBER	8,148.882	12,686,400	7.89	7.93	534,383.27	83,978.10	488,937.60
UARY	8,905,145	13,328,693	9.32	8.50	604,527.62	95,019.19	583,956.79
RUARY	8,104,166	14,107,443	.8.53	7.61	662,188.01	90,188.96	674,145.75
CH	11,454,792	15,543,757	8.96	8.59	748,060.55	112,003.04	786,148.79
IL	9,648,026		7.27		807.036.16		
	8,674,294		7.50		861,253.11		
E	8,654,246		8.24		921,086.04		

OX

F
25
2
20/89

RECEIVED
JUN 14 1989
LIBRARIAN'S OFFICE

HEALTH SERVICE SYSTEM
RESCHEDULED REGULAR MEETING OF THE HEALTH SERVICE BOARD
OF THE CITY AND COUNTY OF SAN FRANCISCO
HELD IN THE BOARD MEETING ROOM
1212 MARKET STREET, MEZZANINE LEVEL
SAN FRANCISCO, CALIFORNIA 94102

TUESDAY - JUNE 20, 1989 - 4:00 P.M.

DOCUMENTS DEPT.
JUN 15 1989
SAN FRANCISCO
PUBLIC LIBRARY

A G E N D A

1. Call to Order.

2. Pledge of Allegiance.

3. Roll Call: President Bernstein — Vice-President Paretchan
   Commissioner Deignan — Commissioner Walker
   Commissioner Krueger — Commissioner Zvanski

4. Minutes of Regular Meeting of May 16, 1989 submitted for approval.

5. Actuarial Report - Rael & Letson

6. Report of Appeals Committee - Commissioner Paretchan, Chair

7. Old Business -

   a. Relocation of Health Service System
   b. Final Open Enrollment Status Report

8. New Business -

   a. Request by Local 790 for Health Benefit Coverage for Per Diem Nurses.
   b. Hospital Contract Renewals for 1989-90 Fiscal Year
   c. Consideration of Mandatory 2nd Opinion Program Administrator
   d. Request for Curtailment of Service Hours
   e. Nomination and Election of Officers for 1989-90 Fiscal Year

9. Executive Director's Report -

10. Announcements -

11. Adjournment -

Dist. 'C'

0143A-2

CF
125
3
20/89

= Minutes

HEALTH SERVICE SYSTEM
RESCHEDULED REGULAR MEETING OF THE HEALTH SERVICE BOARD
OF THE CITY AND COUNTY OF SAN FRANCISCO
HELD IN THE BOARD MEETING ROOM
1212 MARKET STREET, MEZZANINE LEVEL
SAN FRANCISCO, CALIFORNIA 94102

TUESDAY - JUNE 20, 1989 - 4:00 P.M.

DOCUMENTS DEPT.
AUG 1989
SAN FRANCISCO
PUBLIC LIBRARY

1. CALL TO ORDER - President Bernstein called the meeting to order at 4:00 P.M.

2. PLEDGE OF ALLEGIANCE -

3. ROLL CALL -

PRESENT: President Bernstein, Vice-President Paretchan, Commissioner Deignan, Commissioner Zvanski, Commissioner Krueger

ABSENT: Commissioner Walker

4. MINUTES OF REGULAR MEETING OF MAY 16, 1989 SUBMITTED FOR APPROVAL.

Motion was made by Commissioner Krueger and seconded to approve the minutes of the Regular Meeting of May 16, 1989, as submitted and the motion was adopted (5-0 vote).

5. ACTUARIAL REPORT -

The actuarial report through May was submitted to the Board showing a loss ratio of 105% for the month and 96% year to date (Exhibit 'A'). The prescription drug experience was at 100% for the month, a pleasant surprise. The report was ordered filed.

6. REPORT OF APPEALS COMMITTEE -

Commissioner Paretchan reported that there were 36 appeals this month. He made a motion to accept the Committee's recommendation on these appeals. The motion was seconded and passed (5-0 vote).

7. OLD BUSINESS -

a. Relocation of Health Service System

Mr. Smith reported that the cost for renovation was being rebid because of cost overruns. The lease is expected to be submitted to the Board of Supervisors by the end of June. A move date is expected at the end of September. (Information item only)

7. OLD BUSINESS (cont'd.)

b. Final Open Enrollment Status Report -

Mr. Smith reported a record of 8,936 applications were received. A recap of open enrollment activity is attached (Exhibit 'B') Information item only.

8. NEW BUSINESS -

a. Request by Local 790 for Health Benefit Coverage for Per Diem Nurses -

After discussion, Commissioner Zvanski made a motion, which was seconded, to accept the per diem nurses into the System with the stipulation that Local 790 encourages the Finance Committee to adopt the Health Service System budget as approved by the Mayor. The motion failed 2-3 vote (Bernstein, Deignan, Paretchan).

Commissioner Deignan made a motion, which was seconded, that SEIU (Per Diem Nurses) may request a future rehearing before the Board. The motion passed 5-0 vote.

b. Hospital Contract Renewals for 1989-90 Fiscal Year -

After discussion, Commissioner Zvanski made a motion, which was seconded, to approve the hospital contracts for Children's, Mount Zion, Mills-Peninsula, Health Dimensions, Washington and John Muir Hospitals. In addition, hospitals in San Francisco should be held to a 6% rate cap and hospitals outside San Francisco should be held to a 10% rate cap. The motion passed 5-0 vote.

c. Consideration of Mandatory 2nd Opinion Program Administrator -

After discussion, Commissioner Zvanski made a motion, which was seconded to approve Pacific Peer Review as the Second Opinion Program Administrator and to impose a penalty of a 60% copayment benefit under the standard plan and a 40% copayment under the preferred provider program. The motion passed 5-0 vote.

d. Request for Curtailment of Service Hours -

After discussion, Commissioner Zvanski made a motion, which was seconded, to approve a temporary reduction in telephone hours to 10:00 A.M. - Noon and 1: 00 P.M. to 3:00 P.M. effective July 3, 1989. The motion passed 5-0 vote.

e. Nomination and Election of Officers for 1989-90 Fiscal Year -

President Bernstein nominated Commissioner Paretchan for President. Seconded by Commissioner Zvanski. President Bernstein moved, and it was seconded that nominations be closed. The motions passed 4-0 vote (Paretchan abstaining).

President Bernstein nominated Commissioner Zvanski for Vice-President. Seconded by Commissioner Paretchan. President Bernstein moved, and it was seconded that nominations be closed. The motions passed 4-0 vote (Zvanski abstaining).

8. NEW BUSINESS (cont'd.)

f. Consideration of Impact on French Health Plan Membership by Kaiser Acquisition -

After discussion, Commissioner Deignan made a motion, which was seconded, to ask staff to investigate what legal action can be made to recover any costs to the System because of this contract termination. The motion passed 5-0 vote.

Commissioner Paretchan made a motion, which was seconded, to approve a special open enrollment for French Health Plan members. The motion passed 5-0 vote.

g. Authorization for Board/Staff to Attend IFEB Benefits Conference for Public Employees on August 21-23, 1989 -

Commissioner Deignan made a motion, which was seconded, to approve attendance by Board and staff members at the IFEB, Public Employees Conference, August 21-23, 1989. The motion passed 5-0 vote.

9. EXECUTIVE DIRECTOR'S REPORT - Mr. Smith reported the following:

a. The outstanding claim count was 1,926 as of Friday.

b. The Investment Report (Exhibit 'C') was presented to the Board.

10. ANNOUNCEMENTS -

The meeting date in July was moved to July 18th.

12. ADJOURNMENT -

There being no further business, President Bernstein adjourned the meeting at 5:50 P.M.

Randall B. Smith

RANDALL B. SMITH
EXECUTIVE DIRECTOR

REPORT BY ACTUARY ON CASH BASIS FOR THE JUNE 20, 1989
MEETING OF THE HEALTH SERVICE BOARD

PLAN I

Experience for the period July 1, 1988 through May 31, 1989

	CONTRIBUTIONS	CLAIMS	LOSS RATIO FOR MONTH	LOSS RATIO CUMULATIVE
(1) MEDICAL BENEFITS				
Active Employees	$ 10,007,625	$ 10,431,283	106%	104%
Retired Employees (NM)	4,235,794	3,557,129	118	84
Retired Employees (M)	3,566,868	2,321,134	83	65
Adult Dependents (NM)	4,645,489	4,815,313	122	104
Adult Dependents (M)	562,463	452,031	58	80
Minor Dependents	2,493,523[a]	2,625,228	115	105
TOTAL	$ 25,511,762	$ 24,202,117	106%	95%
(2) PRESCRIPTION DRUG BENEFIT				
Active Employees	$ 1,166,981	$ 1,477,194	114%	127%
Retired Employees (NM)	586,982	645,813	100	110
Retired Employees (M)	1,700,918	1,673,438	91	98
TOTAL	$ 3,454,881	$ 3,796,445	100%	110%
(3) VISION CARE COVERAGES				
Active Employees	$ 420,099	$ 431,120	100%	103%
Retired Employees (NM)	116,959	109,319	100	93
Retired Employees (M)	329,072	220,582	56	67
TOTAL	$ 866,130	$ 761,021	82%	88%
(4) ALL COVERAGES				
Active Employees	$ 11,594,705	$ 12,339,597	106%	106%
Retired Employees(NM)	4,939,735	4,312,261	115	87
Retired Employees (M)	5,596,858	4,215,154	84	75
Adult Dependents (NM)	4,645,489	4,815,313	122	104
Adult Dependents (M)	562,463	452,031	58	80
Minor Dependents	2,493,523	2,625,228	115	105
TOTAL	$ 29,832,773	$ 28,759,583	105%	96%

[a] Includes $550,000 of interest subsidy.

CF
425
2
8/89

HEALTH SERVICE SYSTEM
RESCHEDULED REGULAR MEETING OF THE HEALTH SERVICE BOARD
OF THE CITY AND COUNTY OF SAN FRANCISCO
HELD IN THE BOARD MEETING ROOM
1212 MARKET STREET, MEZZANINE LEVEL
SAN FRANCISCO, CALIFORNIA 94102

DOCUMENTS DEPT.
JUL 17 1989
SAN FRANCISCO

TUESDAY- JULY 18, 1989 - 4:00 P.M.

A G E N D A

1. Call to Order.

2. Pledge of Allegiance.

3. Roll Call: Commissioner Bernstein, President Paretchan, Commissioner Deignan, Commissioner Walker, Commissioner Krueger, Vice-President Zvanski

4. Minutes of Regular Meeting of June 20, 1989 submitted for approval.

5. Actuarial Report - Rael & Letson

6. Report of Appeals Committee - Commissioner Paretchan, Chair

7. Old Business -

   a. Relocation of Health Service System

8. New Business -

   a. Request by Local 790 for Health Benefit Coverage for Per Diem Nurses
   b. Hospital Contract Renewals for 1989-90 Fiscal Year
   c. Consideration of Adjustment to Physician's Fee Schedule

9. Executive Director's Report -

10. Announcements -

11. Adjournment -

Dist. 'C'
0049A

SF
325
3
8/89

HEALTH SERVICE SYSTEM
RESCHEDULED REGULAR MEETING OF THE HEALTH SERVICE BOARD
OF THE CITY AND COUNTY OF SAN FRANCISCO
HELD IN THE BOARD MEETING ROOM
1212 MARKET STREET, MEZZANINE LEVEL
SAN FRANCISCO, CALIFORNIA 94102

DOCUMENTS DEPT.
SEP 5 1989
SAN FRANCISCO
PUBLIC LIBRARY

TUESDAY - JULY 18, 1989 - 4:00 P.M.

1. CALL TO ORDER - President Paretchan called the meeting to order at 4:00 P.M.

2. PLEDGE OF ALLEGIANCE -

3. ROLL CALL -

PRESENT: Commissioner Bernstein, President Paretchan, Commissioner Deignan, Vice-President Zvanski, Commissioner Krueger

ABSENT: Commissioner Walker

4. MINUTES OF REGULAR MEETING OF JUNE 20, 1989 SUBMITTED FOR APPROVAL.

Motion was made by Commissioner Bernstein and seconded to approve the minutes of the Regular Meeting of June 20, 1989, as submitted and the motion was adopted (5-0 vote).

5. ACTUARIAL REPORT -

Mr. Rael reported the experience through June (Exhibit 'A'). The overall loss ratio for the year was 96% indicating that the objective of achieving a 95% loss ratio was nearly achieved allowing a build up of the contingency reserve.

Commissioner Zvanski made a motion, which was seconded, to accept the report of the actuary. The motion passed 5-0 vote.

6. REPORT OF APPEALS COMMITTEE -

President Paretchan reported an upsurge in the number of appeals with many involving the new dental plans. The numbers are becoming a problem and the rules dealing with appeals need to be studied. Fifty-one appeals were reviewed and it is recommended that twenty-one be denied and thirty approved. Commissioner Deignan made a motion, which was seconded, to accept the recommendation of the Appeals Committee. The motion passed 5-0 vote.

7. OLD BUSINESS -

a. Relocation of Health Service System

Mr. Smith reported that the final design is now set and that the moving date is still late September. The new lease has still not been sent to the Board of Supervisors. We are awaiting a response from PUC to use of their meeting room. (Information item only)

8. NEW BUSINESS -

a. Request by Local 790 for Health Benefit Coverage for Per Diem Nurses -

After discussion, which included the fact that the HMO's would not allow participation by employees without employer contribution, Commissioner Zvanski made a motion, which was seconded, to allow participation by nurses. The motion failed 1-4 vote. (Bernstein, Deignan, Krueger, Paretchan).

b. Hospital Contract Renewals for 1989-90 Fiscal Year -

After discussion of the St. Luke's Hospital proposal, Commissioner Zvanski made a motion, which was seconded, to offer the hospital a 6% rate increase with the exception of intensive care days which would be paid at $1,000 per day. The motion passed 3-1 vote (Bernstein).

NOTE: Commissioner Krueger left the meeting during discussion of this item.

c. Consideration of Adjustment to Physician's Fee Schedule -

After discussion of this item, Commissioner Deignan made a motion, which was seconded, to approve an increase to $6.35 per unit for the medicine component of the RVS fee schedule. Commissioner Bernstein requested abstention on this item. Commissioner Deignan made a motion, which was seconded, to allow Commissioner Bernstein to abstain. The motion passed 3-0 vote. The original motion passed 3-0 vote.

Commissioner Zvanski made a motion, which was seconded, to approve an increase in obstetrical fees to bring them to 65% of billed charges. The motion passed 3-0 vote.

Commissioner Zvanski made a motion, which was seconded, that there be no fee increase for PTPN for this fiscal year. The motion passed 3-0 vote.

9. EXECUTIVE DIRECTOR'S REPORT - Mr. Smith reported the following:

   a. The outstanding claim count was at 2,823 as of July 14th, approximately 3.7 days backlog.

   b. The French Health Plan Open Enrollment is underway and will end on July 21st. Kaiser and French employees are assisting by inputing the open enrollment changes.

   c. The number of action forms received because of the open enrollment period is approximately 100 to date, which is considerably below the some 2,000 during the initial enrollment period in December, 1988.

   d. The 1989-90 budget was approved with one new position and monies reserved which will be released upon approval of the position reclassification study by the Civil Service Commission.

10. ANNOUNCEMENTS - President Paretchan recognized the following:

   a. Heidi Hagler of French Health Plan thanked the Board for its support of the health plan since this was her and the Plan's last meeting.

   b. Ben Hunter of Bridgeway Health Plan introduced Jackie Schliesser, Group Service Manager and also announced his retirement from the Health Plan. He thanked the Board and Health Service staff for their support.

12. ADJOURNMENT -

There being no further business, President Paretchan adjourned the meeting at 6:00 P.M.

Randall B. Smith

RANDALL B. SMITH
EXECUTIVE DIRECTOR

REPORT BY ACTUARY ON CASH BASIS FOR THE JULY 18, 1989
MEETING OF THE HEALTH SERVICE BOARD

PLAN I

Experience for the period July 1, 1988 through June 30, 1989

	CONTRIBUTIONS	CLAIMS	LOSS RATIO FOR MONTH	LOSS RATIO CUMULATIVE
(1) MEDICAL BENEFITS				
Active Employees	$ 10,850,593	$ 11,204,771	92%	103%
Retired Employees (NM)	4,596,856	3,929,480	103	85
Retired Employees (M)	3,883,059	2,518,546	62	65
Adult Dependents (NM)	5,040,175	5,227,975	105	104
Adult Dependents (M)	614,210	490,056	73	80
Minor Dependents	2,708,846[a]	2,848,226	104	105
TOTAL	$ 27,693,739	$ 26,219,053	92%	95%
(2) PRESCRIPTION DRUG BENEFIT				
Active Employees	$ 1,264,999	$ 1,589,240	114%	126%
Retired Employees (NM)	637,431	697,053	102	109
Retired Employees (M)	1,852,124	1,805,233	87	97
TOTAL	$ 3,754,554	$ 4,091,526	98%	109%
(3) VISION CARE COVERAGES				
Active Employees	$ 455,333	$ 476,081	128%	105%
Retired Employees (NM)	126,961	120,272	110	95
Retired Employees (M)	358,264	242,595	75	68
TOTAL	$ 940,558	$ 838,948	105%	89%
(4) ALL COVERAGES				
Active Employees	$ 12,570,925	$ 13,270,092	95%	106%
Retired Employees(NM)	5,361,248	4,746,805	103	89
Retired Employees (M)	6,093,447	4,566,374	71	75
Adult Dependents (NM)	5,040,175	5,227,975	105	104
Adult Dependents (M)	614,210	490,056	73	80
Minor Dependents	2,708,846	2,848,226	104	105
TOTAL	$ 32,388,851	$ 31,149,527	94%	96%

[a] Includes $600,000 of interest subsidy.

RAEL & LETSON

C
25
89

HEALTH SERVICE SYSTEM
REGULAR MEETING OF THE HEALTH SERVICE BOARD
OF THE CITY AND COUNTY OF SAN FRANCISCO
HELD IN THE BOARD MEETING ROOM
1212 MARKET STREET, MEZZANINE LEVEL
SAN FRANCISCO, CALIFORNIA 94102

DOCUMENTS DEPT.
AUG 8 1989
SAN FRANCISCO
PUBLIC LIBRARY

TUESDAY- AUGUST 8, 1989 - 4:00 P.M.

A G E N D A

1. Call to Order.

2. Pledge of Allegiance.

3. Roll Call: Commissioner Bernstein, President Paretchan, Commissioner Deignan, Commissioner Walker, Commissioner Krueger, Vice-President Zvanski

4. Minutes of Regular Meeting of July 18, 1989 submitted for approval.

5. Actuarial Report - Rael & Letson

6. Report of Appeals Committee - President Paretchan, Chair

7. Old Business -

   a. Relocation of Health Service System
   b. Hospital Contract Renewals for 1989-90 Fiscal Year

8. New Business -

   a. PCS MAC (Maximum Allowable Cost) Program

9. Executive Director's Report -

10. Announcements -

11. Adjournment -

Dist. 'C'
0049A

F
25
2
8/89

HEALTH SERVICE SYSTEM
REGULAR MEETING OF THE HEALTH SERVICE BOARD
OF THE CITY AND COUNTY OF SAN FRANCISCO
HELD IN THE BOARD MEETING ROOM
1212 MARKET STREET, MEZZANINE LEVEL
SAN FRANCISCO, CALIFORNIA 94102

DOCUMENTS DEPT.
AUG 3 1989
SAN FRANCISCO
PUBLIC LIBRARY

TUESDAY- AUGUST 8, 1989 - 4:00 P.M.

A G E N D A

1. Call to Order.

2. Pledge of Allegiance.

3. Roll Call: Commissioner Bernstein, President Paretchan, Commissioner Deignan, Commissioner Walker, Commissioner Krueger, Vice-President Zvanski

4. Minutes of Regular Meeting of July 18, 1989 submitted for approval.

5. Actuarial Report - Rael & Letson

6. Report of Appeals Committee - President Paretchan, Chair

7. Old Business -

   a. Relocation of Health Service System
   b. Hospital Contract Renewals for 1989-90 Fiscal Year

8. New Business -

   a. PCS MAC (Maximum Allowable Cost) Program

9. Executive Director's Report -

10. Announcements -

11. Adjournment -

Dist. 'C'
0049A

CF
125
3
8/89

HEALTH SERVICE SYSTEM
REGULAR MEETING OF THE HEALTH SERVICE BOARD
OF THE CITY AND COUNTY OF SAN FRANCISCO
HELD IN THE BOARD MEETING ROOM
1212 MARKET STREET, MEZZANINE LEVEL
SAN FRANCISCO, CALIFORNIA 94102

Minutes

DOCUMENTS DEPT.
SEP 25 1989
SAN FRANCISCO
PUBLIC LIBRARY

TUESDAY - AUGUST 8, 1989 - 4:00 P.M.

1. CALL TO ORDER - President Paretchan called the meeting to order at 4:13 P.M.

2. PLEDGE OF ALLEGIANCE -

3. ROLL CALL -

PRESENT: Commissioner Bernstein, President Paretchan, Commissioner Krueger, Vice-President Zvanski

ABSENT: Commissioner Deignan - Vacation, Commissioner Walker

4. MINUTES OF REGULAR MEETING OF JULY 18, 1989 SUBMITTED FOR APPROVAL.

Motion was made by Commissioner Bernstein and seconded to approve the minutes of the Regular Meeting of July 18, 1989, as submitted and the motion was adopted (4-0 vote).

5. ACTUARIAL REPORT -

Mr. Rael, Rael & Letson, reported the experience for the 1st month of the fiscal year at a 75% loss ratio overall (Exhibit 'A'). The month's revenue contribution does contain one of the two 3 biweekly pay preiods for the year. The report was ordered filed.

6. REPORT OF APPEALS COMMITTEE -

President Paretchan reported that thirty-three appeals were submitted, 55% of which involved the Section 125 Plan. Twelve appeals are recommended for approval and sixteen for denial. Five are still pending. Commissioner Bernstein made a motion, which was seconded, to accept the recommendation of the Appeals Committee. The motion passed 4-0 vote.

7. OLD BUSINESS -

a. Relocation of Health Service System

Mr. Smith reported that PUC has agreed to let the Board use their meeting room on the 2nd Tuesday of each month commencing at 3:00 P.M.. The agreement is for six months and is renewable. The lease has still not been forwarded to the Board of Supervisors because final buildout costs have not been determined at this time. October is still the projected move in date. (Information item only)

b. Hospital Contract Renewals for 1989-90 Fiscal Year -

After discussion, Commissioner Bernstein made a motion, which was seconded to approve all hospital contracts on calendar except St. Luke's Hospital (Hospitals approved are St. Mary's, PMC, Alta Bates, Marin General, Novato Community, Petaluma Valley and Santa Rosa). The motion passed 4-0 vote.

The Board heard a counterproposal from St. Luke's Hospital (Mr. Walter Kopp). A motion was made by Commissioner Zvanski, which was seconded, to refer the proposal to the Rates and Benefits Committee. The motion passed 4-0 vote.

Mt. Zion Hospital has advised the System that inpatient OB services will no longer be available as of November 1st. They wish to assign the OB services portion of the contract to UC Hospital. The Board wanted further clarification on this proposal and whether UC is agreeable. No action taken.

8. NEW BUSINESS -

a. PCS MAC (Maximum Allowable Cost) Program -

Mr. Smith explained the operation of the MAC program which has caused some complaints from members and pharmacists regarding the filling of brand name prescriptions when the physician has not prescribed a brand specifically. After discussion, the Board concurred that the MAC program should be maintained and information provided to membership on the program.

9. EXECUTIVE DIRECTOR'S REPORT - Mr. Smith reported the following:

   a. The outstanding claim count stood at 2,776 last Friday in comparison to 2,823 last month.

   b. The French Health Plan Open Enrollment was just completed with about 950 applications submitted and about 500 members not submitting applications. Those 500 members have been transferred to Plan I pursuant to our rules. Of those filing applications, 39 enrolled in the City Plan, 421 Kaiser, 289 Bridgeway, 148 Bay Pacific and 55 Heals.

   c. The incoming activity of problems from the open enrollment period have still not subsided as of this date, and the activity has been heavy.

10. ANNOUNCEMENTS - None

12. ADJOURNMENT -

    There being no further business, President Paretchan adjourned the meeting at 4:55 P.M.

Randall B. Smith

RANDALL B. SMITH
EXECUTIVE DIRECTOR

REPORT BY ACTUARY ON CASH BASIS FOR THE AUGUST 8, 1989
MEETING OF THE HEALTH SERVICE BOARD

PLAN I

Experience for the period July 1, 1989 through July 31, 1989

	CONTRIBUTIONS	CLAIMS	LOSS RATIO FOR MONTH	LOSS RATIO CUMULATIVE
(1) MEDICAL BENEFITS				
Active Employees	$ 1,339,897[a]	$ 930,644	69%	69%
Retired Employees (NM)	467,028	445,161	95	95
Retired Employees (M)	366,495	244,886	67	67
Adult Dependents (NM)	578,841	495,344	86	86
Adult Dependents (M)	62,331	32,769	53	53
Minor Dependents	294,208[b]	224,409	76	76
TOTAL	$ 3,108,800	$ 2,373,213	76%	76%
(2) PRESCRIPTION DRUG BENEFIT				
Active Employees	$ 185,459	$ 109,702	59%	59%
Retired Employees (NM)	64,021	46,848	73	73
Retired Employees (M)	180,088	132,364	73	73
TOTAL	$ 429,568	$ 288,914	67%	67%
(3) VISION CARE COVERAGES				
Active Employees	$ 53,500	$ 36,745	69%	69%
Retired Employees (NM)	10,657	9,860	93	93
Retired Employees (M)	29,846	20,753	70	70
TOTAL	$ 94,003	$ 67,358	72%	72%
(4) ALL COVERAGES				
Active Employees	$ 1,578,856	$ 1,077,092	68%	68%
Retired Employees(NM)	541,706	501,869	93	93
Retired Employees (M)	576,429	398,002	69	69
Adult Dependents (NM)	578,841	495,344	86	86
Adult Dependents (M)	62,331	32,769	53	53
Minor Dependents	294,208	224,409	76	76
TOTAL	$ 3,632,371	$ 2,729,485	75%	75%

[a] Includes $83,333 of principal subsidy.

[b] Includes $58,500 of interest subsidy.

EM NO. 7b HOSPITAL CONTRACT RENEWALS FOR 1989-90 FISCAL YEAR

e attached exhibits reflect the current rate and renewal rate proposals of
ght hospitals some of whom have agreed to the maximum 6% increase in S.F.
d 10% outside of S.F.

u also have reports reflecting our inpatient hospital activity at all
spitals from July 1, 1988 to June 30, 1989 for both non-medicare and
dicare admissions. Please note the critical data areas which are
missions, days, average paid per day, and percentage of billed charges paid.

	Average Increase	Approximate Annual Cost Increase
. Luke's	15%	$ 25,000
cific Presbyterian	12	90,000
. Mary's Hospital	6	80,000
ta Bates	10	9,000
rin General	10	22,000
vato	7	2,600
taluma Valley	10	1,250
nta Rosa	7.5	5,900
		$ 235,750

gnificant Data on SF Hospitals 1988-89

	ADM.	PCT OF ADMS	DAYS	LOS	TOTAL RETAIL CHARGES	TOTAL PAID	AVE CHG DAY	AVE PAID DAY	PCT BILLED CHARGES PAID
ildren	212	29%	967	4.56	$ 1.64m	$ .96m	$1,698	$ 991	58%
. Zion	47	6	360	7.65	.55	.21	1,531	595	39
IC	178	24	978	5.49	1.70	.80	1,735	825	48
t. Luke's	73	10	289	3.95	.49	.16	1,700	557	33
t. Mary's	228	31	1,500	6.57	2.29	1.23	1,523	819	54
	738	100%	4,094	5.54	$ 6.67m	$ 3.26m	$1,629	$ 796	49%

edicare Admissions

ildren's	85
t. Zion	4
IC	82
t. Luke's	43
t.Mary's	192
	406

t. Mary's

his hospital is agreeable to a 6% increase in all per diems, but would like a new rate
ategory for agitated head injury and ventilator dependent quadriplegic patients only of
1,600 per diem and a stop loss of 35% after patient charges reach $40,000. The average
harge per admission is $10,025.

he stop loss proposal of 65% of billed charges after $40,000 in inpatient charges per
dmission is a 1st time proposal.

s hospital says it is delivering medical/surgical days at $720 per day at a loss. It our understanding that they feel strongly about the $820 M/S proposed. However, ce Med/Surg makes up about 79% of patient days, the overall increase would be about based on patient mix in 1988-89.

stop loss proposal of 75% of billed charges after $30,000 is a 1st time proposal.

LUKE'S

hospital has not responded to the Board's offer as of this date. Please also note p loss proposal on this hospital.

A BATES

Board proposal accepted. Stop loss is new proposal. Existing stop loss is if rges are over $10,000 and payment is less than 50%, payment is at 75% of billed rges. Recommend continuation of existing stop loss.

IN GENERAL

Board proposal accepted.

ATO COMMUNITY

increase within Board guidelines. Stop loss is a 1st time proposal.

ALUMA VALLEY

Board proposal accepted.

TA ROSA

% increase within Board's guidelines. Stop loss is a 1st time proposal.

E: No motion was passed on the hospital contracts up for approval at the July 18th Board meeting.

RD ACTION: Approve all hospital contracts except St. Luke's Hospital (4-0 vote).

EM 8a PCS MAC (Maximum Allowable Cost) Program -

new issue has recently surfaced relating to members who are insistent on
cting a brand name prescription even though their physician has authorized
e dispensing of a generic drug.

der the MAC (Maximum Allowable Cost) program upper limits for payment to the
armacist are set on generic drugs which are available from multiple
nufacturers. When a MAC drug is involved, the pharmacist will be reimbursed
sed on the lowest of the MAC cost, average wholesale price less 10%, or
gredient cost claimed.

en, for example, a member is insistent on the brand name Valium at $40.65
r 100 tablets and the generic equivalent costs $4.27 you can understand why
e pharmacist doesn't want to absorb a $36.38 reimbursement loss when the
mber's physician has indicated that a generic substitution is appropriate.

ditional examples of the cost differential between the MAC price and the
and price are enclosed.

e Board's concurrence and acknowledgment of the impact of the MAC program is
ked, even though some members are going to complain about a benefit change.
e cost savings in most cases are significant.

addition, the member may either get the physician to write a new
escription for the brand medication with a "dispensed as written
struction" or pay the full cost to the pharmacist and file a reimbursement
rm. Reimbursement would be at a $9.00 copayment and then 80% of the cost of
e drug.

ARD ACTION: Maintain MAC Program

SF
H25
2
1/12/89

SF

HEALTH SERVICE SYSTEM
REGULAR MEETING OF THE HEALTH SERVICE BOARD
OF THE CITY AND COUNTY OF SAN FRANCISCO
HELD IN THE BOARD MEETING ROOM
1212 MARKET STREET, MEZZANINE LEVEL
SAN FRANCISCO, CALIFORNIA 94102

DOCUMENTS DEPT.
SEP 5 1989
SAN FRANCISCO
PUBLIC LIBRARY

TUESDAY- SEPTEMBER 12, 1989 - 4:00 P.M.

A G E N D A

1. Call to Order.

2. Pledge of Allegiance.

3. Roll Call: Commissioner Bernstein, President Paretchan, Commissioner Deignan, Commissioner Walker, Commissioner Krueger, Vice-President Zvanski

4. Minutes of Regular Meeting of August 8, 1989 submitted for approval.

5. Actuarial Report - Rael & Letson

6. Report of Appeals Committee - President Paretchan, Chair

7. Report of Rates & Benefits Committee - Commissioner Krueger, Chair
   a. Consideration of St. Luke's Hospital contract

8. Report of Rules Committee - Commissioner Deignan, Chair
   a. Impact of Section 125 Plan on the Health Service System Appeals Process

9. Old Business -

   a. Relocation of Health Service System

10. New Business -

11. Executive Director's Report -

12. Announcements -

13. Adjournment -

Dist. 'C'
0049A
HSS002Z

SF
125
3
2/89

HEALTH SERVICE SYSTEM
REGULAR MEETING OF THE HEALTH SERVICE BOARD
OF THE CITY AND COUNTY OF SAN FRANCISCO
HELD IN THE BOARD MEETING ROOM
1212 MARKET STREET, MEZZANINE LEVEL
SAN FRANCISCO, CALIFORNIA 94102

DOCUMENTS DEPT.
NOV 20 1989
SAN FRANCISCO
PUBLIC LIBRARY

Minutes

TUESDAY - SEPTEMBER 12, 1989 - 4:00 P.M.

1. CALL TO ORDER - President Paretchan called the meeting to order at 4:00 P.M.

2. PLEDGE OF ALLEGIANCE -

3. ROLL CALL -

PRESENT: Commissioner Bernstein, President Paretchan, Commissioner Deignan, Vice-President Zvanski, Commissioner Krueger

ABSENT: Commissioner Walker

4. MINUTES OF REGULAR MEETING OF AUGUST 8, 1989 SUBMITTED FOR APPROVAL.

Motion was made by Commissioner Bernstein and seconded to approve the minutes of the Regular Meeting of August 8, 1989, as submitted and the motion was adopted (5-0 vote).

5. ACTUARIAL REPORT -

Mr. Rael, Rael & Letson, reported the experience through August which reflected an overall 85% loss ratio (Exhibit 'A'). The loss ratio went from 75% in July which had three biweekly pay periods, to 85% in August.

6. REPORT OF APPEALS COMMITTEE -

President Paretchan reported and recommended the adoption of the Committee action on 120 appeals during August, most of which involved the French Health Plan open enrollment. The motion was seconded and passed by a 5-0 vote.

7. REPORT OF RATES AND BENEFITS COMMITTEE -

a. Consideration of St. Luke's Hospital contract -

Commissioner Krueger reported that the committee met on August 24 and voted to recommend the existing rate proposal to St. Luke's Hospital and consider a stop loss provision. Staff reported that St. Luke's will accept the rate proposal with a stop loss provision. After discussion, Commissioner Krueger made a motion, which was seconded, to approve the St. Luke's contract with the existing rate proposal and a stop loss provision of per diems apply to $40,000 in charges, and then pay 65% of billed charges. The motion passed 5-0 vote.

8. REPORT OF RULES COMMITTEE -

a. Impact of Section 125 Plan on the Health Service System Appeals Process -

Commissioner Deignan reported the committee adopted a recommendation to allow a window period of 45 days from July 1st for members to appeal self made clerical errors. This recommendation was approved by the Board 5-0 vote.

There was also discussion on the Board's ability to modify the appeals procedure and restrict it to medical appeals only. It appears that Charter language would currently prohibit this action. The Committee would study this issue further to determine what could be done about modifying Section F of the Rules on Membership Appeals and Grievances.

9. OLD BUSINESS -

a. Relocation of Health Service System -

Mr. Smith reported the move date has been pushed back to December. Lease legislation has been signed for forwarding to the Board of Supervisors. Proposals are being solicited for moving furniture, computer equipment and the moving filing system. (Information item only)

10. NEW BUSINESS -

a. Assignment of Mount Zion Hospital Contract (OB services only) to U.C. Hospital -

Mr. Smith reported that Mount Zion Hospital has clarified the Assignment proposal. After discussion, Commissioner Zvanski made a motion, which was seconded, to approve the assignment of the Mount Zion contract for obstetrician services only to U.C. Hospital. The motion passed 5-0 vote.

11. EXECUTIVE DIRECTOR'S REPORT -

Mr. Smith reported the following:

a. The outstanding claim count stood at 3,689 compared to 2,776 last month. This is approximately a 5-day backlog.

b. The Mayoral Task Force on health benefits for Domestic Partners is continuing to meet and will be sending out a survey to 3,000 active and retired employees to gather more specific information.

12. ANNOUNCEMENTS - None

13. SUPPLEMENTAL AGENDA - A motion was made by Commissioner Krueger and seconded to hear the supplemental agenda. The motion passed 5-0 vote.

a. Resolution of Commendation on the Retirement of Mitzi Doninelli from the Health Service System -

President Paretchan presented a resolution of commendation for Ms. Doninelli. Commissioner Krueger made a motion, which was seconded, to adopt the Resolution. The motion passed 5-0 vote.

14. ADJOURNMENT -

There being no further business, President Paretchan adjourned the meeting at 4:32 P.M.

Randall B. Smith

RANDALL B. SMITH
EXECUTIVE DIRECTOR

REPORT BY ACTUARY ON CASH BASIS FOR THE SEPTEMBER 12, 1989
MEETING OF THE HEALTH SERVICE BOARD

PLAN I

Experience for the period July 1, 1989 through August 31, 1989

	CONTRIBUTIONS	CLAIMS	LOSS RATIO FOR MONTH	LOSS RATIO CUMULATIVE
(1) MEDICAL BENEFITS				
Active Employees	$ 2,366,645[a]	$ 2,018,430	106%	85%
Retired Employees (NM)	874,827	795,423	86	91
Retired Employees (M)	786,476	443,062	47	56
Adult Dependents (NM)	1,032,386	1,003,262	112	97
Adult Dependents (M)	125,158	65,177	52	52
Minor Dependents	534,448[b]	431,701	86	81
TOTAL	$ 5,719,940	$ 4,762,854	92%	83%
(2) PRESCRIPTION DRUG BENEFIT				
Active Employees	$ 325,152	$ 283,774	125%	87%
Retired Employees (NM)	115,953	127,486	155	110
Retired Employees (M)	372,174	346,253	111	93
TOTAL	$ 813,279	$ 757,513	122%	93%
(3) VISION CARE COVERAGES				
Active Employees	$ 93,542	$ 84,072	118%	90%
Retired Employees (NM)	19,268	21,917	140	114
Retired Employees (M)	61,599	45,384	78	74
TOTAL	$ 174,409	$ 151,374	104%	87%
(4) ALL COVERAGES				
Active Employees	$ 2,785,339	$ 2,386,276	109%	86%
Retired Employees(NM)	1,010,048	944,826	95	94
Retired Employees (M)	1,220,249	834,699	68	68
Adult Dependents (NM)	1,032,386	1,008,262	112	97
Adult Dependents (M)	125,158	65,177	52	52
Minor Dependents	534,448	431,701	86	81
TOTAL	$ 6,707,628	$ 5,670,941	96%	85%

[a] Includes $166,666 of principal subsidy.

[b] Includes $117,000 of interest subsidy.

3F
425
2
10/10/89

HEALTH SERVICE SYSTEM
REGULAR MEETING OF THE HEALTH SERVICE BOARD
OF THE CITY AND COUNTY OF SAN FRANCISCO
HELD IN THE BOARD MEETING ROOM
1212 MARKET STREET, MEZZANINE LEVEL
SAN FRANCISCO, CALIFORNIA 94102

TUESDAY - OCTOBER 10, 1989 - 4:00 P.M.

A G E N D A

DOCUMENTS DEPT.
OCT 5 1989
SAN FRANCISCO
PUBLIC LIBRARY

1. Call to Order.

2. Pledge of Allegiance.

3. Roll Call: Commissioner Bernstein — President Paretchan
   Commissioner Deignan — Commissioner Walker
   Commissioner Krueger — Vice President Zvanski

4. Minutes of Regular Meeting of September 12, 1989 submitted for approval.

5. Actuarial Report - Rael & Letson

6. Report of Appeals Committee - President Paretchan, Chair

7. Old Business -

   a. Relocation of Health Service System

8. New Business -

9. Executive Director's Report -

10. Announcements -

11. Adjournment -

Dist. 'C'

0143A-2

SF
H25
3
10/89

Minutes

HEALTH SERVICE SYSTEM
REGULAR MEETING OF THE HEALTH SERVICE BOARD
OF THE CITY AND COUNTY OF SAN FRANCISCO
HELD IN THE BOARD MEETING ROOM
1212 MARKET STREET, MEZZANINE LEVEL
SAN FRANCISCO, CALIFORNIA 94102

DOCUMENTS DEPT.
DEC 7 1989
SAN FRANCISCO
PUBLIC LIBRARY

TUESDAY - OCTOBER 10, 1989 - 4:00 P.M.

1. CALL TO ORDER - President Paretchan called the meeting to order at 4:00 P.M.

2. PLEDGE OF ALLEGIANCE -

3. ROLL CALL -

PRESENT:	Commissioner Bernstein	President Paretchan
	Commissioner Krueger	Vice President Zvanski
ABSENT:	Commissioner Deignan	
	Commissioner Walker	

4. MINUTES OF REGULAR MEETING OF SEPTEMBER 12, 1989 SUBMITTED FOR APPROVAL.

Motion was made by Commissioner Bernstein and seconded to approve the minutes of the Regular Meeting of September 12, 1989, as submitted and the motion was adopted (4-0 vote).

5. ACTUARIAL REPORT -

Mr. Rael, Rael & Letson, reported the claims experience (Exhibit 'A') through September. The overall loss ratio was 78% for the month and 82% year to date. (Information item only).

6. REPORT OF APPEALS COMMITTEE -

President Paretchan reported and recommended the adoption of the Committee action to approve seven (7) and deny four(4) appeals during September. Four (4) appeals were still pending. A motion was made by Commissioner Bernstein and seconded to adopt the recommendation of the Appeals Committee. The motion passed by a 4-0 vote.

7. OLD BUSINESS -

a. Relocation of Health Service System -

Mr. Smith reported the lease was approved for 1155 Market Street by Governmental Operations Committee on Monday, October 9th. Move in is still scheduled for December, 1989.

8. NEW BUSINESS - None

9. SUPPLEMENTAL AGENDA -

A motion was made by Commissioner Krueger and seconded to hear the supplemental agenda. The motion passed 4-0 vote.

a. Approval for Submission of Supplemental Appropriation for Additional Staffing -

Commissioner Zvanski made a motion, which was seconded, to approve the Submission of Supplemental Appropriation for Additional Staffing. The motion passed 4-0 vote.

b. Approval of Third Party Compromise Settlement -

Commissioner Bernstein made a motion, which was seconded to approve the Third Party Compromise Settlement in the case of Carl Olson. The motion passed 4-0 vote.

10. EXECUTIVE DIRECTOR'S REPORT -

Mr. Smith reported the following:

a. The outstanding claim count stood at 2,244 or a 3-day backlog versus 3,689 last month.

b. The Medicare Catastrophic Bill has been repealed by the House of Representatives and a Senate Committee has voted to repeal the bill with the exception of the unlimited hospitalization benefit.

c. Section 89 (Non-Discrimination in Employee Benefits) was repealed by the House and it now in the Senate where it will also probably be appealed.

d. A new Clerk Typist started on September 18th and an Account Clerk will start October 16th. Another employee returned from a five-week leave this date.

e. Communications from Health Care Associates and Physical Therapy Provider Network requesting rate adjustments were referred to the Rates and Benefits Committee for consideration.

10. EXECUTIVE DIRECTOR'S REPORT - (cont'd.)

f. The Bankruptcy Court has finally issued an injunction against all Maxicare creditors to protect our former members of Maxicare who have incurred out of plan costs for emergency services. Each creditor that we are aware of has been sent a certified letter of this injunction which hopefully will stop collection pursuit against our members.

11. ANNOUNCEMENTS - None

12. ADJOURNMENT -

There being no further business, President Paretchan adjourned the meeting at 4:30 P.M.

Randall B. Smith

RANDALL B. SMITH
EXECUTIVE DIRECTOR

REPORT BY ACTUARY ON CASH BASIS FOR THE OCTOBER 10, 1989 MEETING OF THE HEALTH SERVICE BOARD

PLAN I

Experience for the period July 1, 1989 through September 30, 1989

	CONTRIBUTIONS	CLAIMS	LOSS RATIO FOR MONTH	LOSS RATIO CUMULATIVE
(1) MEDICAL BENEFITS				
Active Employees	$ 3,385,147[a]	$ 2,969,960	93%	88%
Retired Employees (NM)	1,425,854	1,075,709	56	75
Retired Employees (M)	1,116,065	623,715	48	56
Adult Dependents (NM)	1,492,446	1,363,028	78	91
Adult Dependents (M)	186,473	91,975	44	49
Minor Dependents	773,720[b]	652,768	92	84
TOTAL	$ 8,379,705	$ 6,777,155	76%	81%
(2) PRESCRIPTION DRUG BENEFIT				
Active Employees	$ 463,901	$ 410,868	92%	89%
Retired Employees (NM)	194,518	179,453	76	92
Retired Employees (M)	547,223	500,515	83	91
TOTAL	$ 1,205,642	$ 1,090,836	85%	90%
(3) VISION CARE BENEFIT				
Active Employees	$ 133,157	$ 129,725	115%	97%
Retired Employees (NM)	32,273	33,434	102	104
Retired Employees (M)	90,535	72,102	87	80
TOTAL	$ 255,965	$ 235,261	103%	92%
(4) ALL COVERAGES				
Active Employees	$ 3,982,205	$ 3,510,554	94%	88%
Retired Employees(NM)	1,652,645	1,288,596	59	78
Retired Employees (M)	1,753,823	1,196,333	61	68
Adult Dependents (NM)	1,492,446	1,363,028	77	91
Adult Dependents (M)	186,473	91,975	44	49
Minor Dependents	773,720	652,767	92	84
TOTAL	$ 9,841,312	$ 8,103,253	78%	82%

a Includes $249,999 of principal subsidy.

b Includes $175,500 of interest subsidy.

SF
H25
2
11/14/89

HEALTH SERVICE SYSTEM
REGULAR MEETING OF THE HEALTH SERVICE BOARD
OF THE CITY AND COUNTY OF SAN FRANCISCO
HELD IN THE BOARD MEETING ROOM
1212 MARKET STREET, MEZZANINE LEVEL
SAN FRANCISCO, CALIFORNIA 94102

TUESDAY - NOVEMBER 14, 1989 - 4:00 P.M.

A G E N D A

DOCUMENTS DEPT.
NOV 13 1989
SAN FRANCISCO
PUBLIC LIBRARY

1. Call to Order.

2. Pledge of Allegiance.

3. Roll Call: Commissioner Bernstein, President Paretchan, Commissioner Deignan, Commissioner Walker, Commissioner Krueger, Vice President Zvanski

4. Minutes of Regular Meeting of October 10, 1989 submitted for approval.

5. Actuarial Report - Rael & Letson

6. Report of Appeals Committee - President Paretchan, Chair

7. Old Business -

   a. Relocation of Health Service System

8. New Business -

   a. Approval of Third Party Compromise Settlement -

      Lillie Hereford - HSS No. 33793-01
      31984-00

9. Executive Director's Report -

10. Announcements -

11. Adjournment -

Dist. 'C'

0143A-2

HEALTH SERVICE BOARD

November 14, 1989

The Minutes of this meeting are missing.

San Francisco Public Library
Government Information Center

SF
H25
4 2
2/12/89

HEALTH SERVICE SYSTEM
REGULAR MEETING OF THE HEALTH SERVICE BOARD
OF THE CITY AND COUNTY OF SAN FRANCISCO
HELD IN THE BOARD MEETING ROOM
1212 MARKET STREET, MEZZANINE LEVEL
SAN FRANCISCO, CALIFORNIA 94102

DOCUMENTS DEPT.
DEC 7 1989
SAN FRANCISCO
PUBLIC LIBRARY

TUESDAY - DECEMBER 12, 1989 - 4:00 P.M.

A G E N D A

1. Call to Order.

2. Pledge of Allegiance.

3. Roll Call: Commissioner Bernstein, President Paretchan, Commissioner Deignan, Commissioner Walker, Commissioner Krueger, Vice President Zvanski, Commissioner Loos

4. Minutes of Regular Meeting of November 14, 1989 submitted for approval.

5. Actuarial Report - Rael & Letson

6. Report of Appeals Committee - President Paretchan, Chair

7. Old Business -

   a. Relocation of Health Service System

8. New Business -

9. Executive Director's Report -

10. Announcements -

    a. Set Annual Meeting date.

11. Adjournment -

Dist. 'C'

0143A-2

HEALTH SERVICE BOARD

December 12, 1989

The Minutes of this meeting are missing.

San Francisco Public Library
Government Information Center

F
25
2
/90

HEALTH SERVICE SYSTEM
REGULAR MEETING OF THE HEALTH SERVICE BOARD
OF THE CITY AND COUNTY OF SAN FRANCISCO
HELD IN THE BOARD MEETING ROOM
1155 MARKET STREET, FOURTH FLOOR
SAN FRANCISCO, CALIFORNIA

TUESDAY - JANUARY 9, 1990 - 4:00 P.M.

AGENDA

DOCUMENTS DEPT.
JAN 8 1990
SAN FRANCISCO
PUBLIC LIBRARY

1. Call to Order.
2. Pledge of Allegiance.
3. Roll Call:
   Commissioner Bernstein
   Commissioner Deignan
   Commissioner Krueger
   Commissioner Loos
   President Paretchan
   Commissioner Walker
   Vice President Zvanski
4. Minutes of Regular Meeting of December 12, 1989 submitted for approval.
5. Actuarial Report - Rael & Letson
6. Report of Appeals Committee - President Paretchan, Chair
7. Old Business -
   a. Relocation of Health Service System
8. New Business -
   a. Certification of Average Contribution of Ten Most Populous Counties
9. Executive Director's Report -
10. Announcements -
11. Adjournment -

Dist. 'C'

0143A-2

DOCUMENTS DEPT.
MAR 7 1990
SAN FRANCISCO
PUBLIC LIBRARY

HEALTH SERVICE SYSTEM
REGULAR MEETING OF THE HEALTH SERVICE BOARD
OF THE CITY AND COUNTY OF SAN FRANCISCO
HELD IN THE BOARD MEETING ROOM
1155 MARKET STREET, FOURTH FLOOR
SAN FRANCISCO, CALIFORNIA

TUESDAY - JANUARY 9, 1990 - 4:00 P.M.

1. CALL TO ORDER - President Paretchan called the meeting to order at 4:00 P.M.

2. PLEDGE OF ALLEGIANCE -

3. ROLL CALL - President Paretchan welcomed Commissioner Loos who was appointed to the Health Service Board on December 11, 1989 by Mayor Agnos.

   Present: Commissioner Bernstein, President Paretchan, Commissioner Deignan, Vice President Zvanski, Commissioner Loos

   Absent: Commissioner Krueger, Commissioner Walker

4. MINUTES OF REGULAR MEETING OF DECEMBER 12, 1989 SUBMITTED FOR APPROVAL.

   Motion was made by Commissioner Bernstein and seconded to approve the minutes of the Regular Meeting of December 12, 1989, as submitted and the motion was adopted (5-0 vote).

5. ACTUARIAL REPORT -

   Mr. Rael, Rael & Letson, reported the experience for all benefits through December. The overall loss ratio was at 76% which included the second of two extra biweekly payrolls in the first 6 months (Exhibit 'A'). He also distributed the 1988-89 Actuarial Report to the Board.

   Mr. Smith added that because of the holidays, departmental relocation and computer down time that a significant claims backlog has occurred and that only $1.6 million in medical benefit expenditures were recorded in December versus an average of $2.2 million per month in the preceding five months.

6. REPORT OF APPEALS COMMITTEE -

President Paretchan reported that there were 12 appeals of which five appeals were approved and seven appeals were denied. He made a motion which was seconded to adopt the recommendation of the committee. The motion was passed 5-0 vote.

7. OLD BUSINESS -

a. Relocation of Health Service System -

Mr. Smith reported that the move of the department to 1155 Market Street occurred on December 29th and that it went very smoothly and quickly. However, hardware and wiring problems with the computer system once at the new site have caused lengthy down time periods severely affecting claim and membership production time.

8. NEW BUSINESS -

a. Certification of Average Contribution of Ten Most Populous Counties -

Mr. Smith reviewed the survey of the ten most populous counties which reflected an increase of 16.3% from $122.29 to $142.24. The increases ranged from a low of 11.2% to a high of 25.6%. Riverside Couny showed a decrease because of transition to membership in the PERS Health System.

The survey also reflected that the counties contribute an average $226.08 per employee for one dependent and $254.64 for two or more dependents (Exhibit 'B' to Exhibit 'B-2').

Commissioner Bernstein made a motion, which was seconded, to certify the average contribution of $142.24 per month to the Board of Supervisors. The motion passed 5-0 vote.

9. SUPPLEMENTAL AGENDA -

It was moved by Commissioner Deignan and seconded to hear the supplemental agenda. The motion passed 5-0 vote.

a. Discussion and Response to Proposed Charter Amendment Adding Two Additional Members to Health Service Board -

Mr. Smith reported receipt and request for response of a draft copy of the proposed charter amendment to add a pharmacist and dentist to the Board.

After discussion by the Board and public, a motion was made by Commissioner Zvanski and seconded to notify the Clerk of the Board that the Health Service Board is opposed to the charter amendment on the grounds that it would further unbalance the Board relative to employer and employee representation and secondly, the Board does not understand the purpose or need for this proposal. The motion passed 5-0 vote.

9. SUPPLEMENTAL AGENDA - (continued)

A motion was made by Commissioner Deignan and seconded to notify Supervisor Gonzalez of the Board's opposition and request a meeting with him. The motion passed 5-0 vote.

10. EXECUTIVE DIRECTOR'S REPORT -

Mr. Smith reported the following:

a. There were 5,291 claims outstanding as of December 22nd. This compares to 4,016 last month.

b. The proposed health plan rates for 1990-91 have been submitted by the contract health plans.

11. ANNOUNCEMENTS - None

12. ADJOURNMENT -

Commissioner Bernstein made a motion, which was seconded, to adjourn the meeting. There being no objections the meeting was adjourned at 4:45 P.M.

Randall B. Smith

RANDALL B. SMITH
EXECUTIVE DIRECTOR

REPORT BY ACTUARY ON CASH BASIS FOR THE January 9, 1990 MEETING OF THE HEALTH SERVICE BOARD

PLAN I

Experience for the period July 1, 1989 through December 31, 1989

	CONTRIBUTIONS	CLAIMS	LOSS RATIO FOR MONTH	LOSS RATIO CUMULATIVE
(1) MEDICAL BENEFITS				
Active Employees	$ 6,891,946[a]	$ 5,738,858	54%	83%
Retired Employees (NM)	2,857,423	2,019,739	43	71
Retired Employees (M)	2,265,642	1,028,629	27	45
Adult Dependents (NM)	2,995,552	2,577,102	60	86
Adult Dependents (M)	375,996	152,882	22	41
Minor Dependents	1,539,278[b]	1,160,135	63	75
TOTAL	$16,925,837	$12,677,345	50%	75%
(2) PRESCRIPTION DRUG BENEFIT				
Active Employees	$ 947,243	$ 767,507	59%	81%
Retired Employees (NM)	389,227	335,628	84	86
Retired Employees (M)	1,108,857	983,128	85	89
TOTAL	$ 2,445,327	$ 2,086,263	73%	85%
(3) VISION CARE BENEFIT				
Active Employees	$ 271,078	$ 240,370	65%	89%
Retired Employees (NM)	64,462	61,473	95	95
Retired Employees (M)	183,402	136,238	74	74
TOTAL	$ 518,942	$ 438,081	71%	84%
(4) ALL COVERAGES				
Active Employees	$ 8,110,267	$ 6,746,735	55%	83%
Retired Employees(NM)	3,311,112	2,416,840	49	73
Retired Employees (M)	3,557,901	2,147,995	47	60
Adult Dependents (NM)	2,995,552	2,577,102	60	86
Adult Dependents (M)	375,996	152,882	22	41
Minor Dependents	1,539,278	1,160,135	63	75
TOTAL	$19,890,106	$15,201,689	54%	76%

a Includes $500,000 of principal subsidy.

b Includes $351,000 of interest subsidy.

HEALTH SERVICE SYSTEM
ANNUAL MEETING OF THE HEALTH SERVICE BOARD
OF THE CITY AND COUNTY OF SAN FRANCISCO
HELD IN THE BOARD MEETING ROOM
1155 MARKET STREET, FOURTH FLOOR
SAN FRANCISCO, CALIFORNIA

TUESDAY - JANUARY 9, 1990 - 6:00 P.M.

A G E N D A

1. Call to Order.
2. Pledge of Allegiance.
3. Roll Call:

Commissioner Bernstein	President Paretchan
Commissioner Deignan	Commissioner Walker
Commissioner Krueger	Vice-President Zvanski
Commissioner Loos	

4. President's Remarks -
5. Commissioner's Remarks -
6. Actuary Remarks -
7. Executive Director's Remarks -
   a. 1988-89 Draft Annual Report
8. Public Comments -
9. Adjournment -

DIST. 'C'
0086A

HEALTH SERVICE SYSTEM
REGULAR MEETING OF THE HEALTH SERVICE BOARD
OF THE CITY AND COUNTY OF SAN FRANCISCO
HELD IN THE BOARD MEETING ROOM
1155 MARKET STREET, FOURTH FLOOR
SAN FRANCISCO, CALIFORNIA

TUESDAY - FEBRUARY 13, 1990 - 4:00 P.M.

DOCUMENTS DEPT.
SAN FRANCISCO
PUBLIC LIBRARY

AGENDA

1. Call to Order.
2. Pledge of Allegiance.
3. Roll Call: Commissioner Bernstein, Commissioner Deignan, Commissioner Krueger, Commissioner Loos, President Paretchan, Commissioner Walker, Vice President Zvanski
4. Minutes of Regular Meeting of January 9, 1990 submitted for approval.
5. Actuarial Report - Rael & Letson
6. Report of Appeals Committee - President Paretchan, Chair
7. Report of Rates and Benefits Committee - Commissioner Krueger, Chair
   a. Proposed Rates and Benefits for Contract Health Plans for 1990-91 Fiscal year
   b. Proposed City Health Plan Rates and Benefits for the 1990-91 Fiscal Year
   c. Proposed Rates and Benefits for Contract Dental Plans for the 1990-91 Fiscal Year
   d. Proposed Rates & Benefits for Disability Plan for 1990-91 Fiscal year
   e. Proposal of California Chiropractic Services, Inc.
   f. Proposal of Physical Therapy Provider Network
   g. Proposal of Podiatry Plan Organization of California, Inc.
   h. Preferred Provider Contract strategy for 1990-91 Fiscal Year.
8. Report of Budget Committee - Commissioner Zvanski, Chair -
9. Old Business -
10. New Business -
    a. Adoption of 1988-89 Annual Report
    b. Request for 1990-91 Rate Increase from Consulting Actuaries
    c. Resolution of Commendation on Retirement of Henry Nanjo, Director, Systems and Data Processing
11. Supplemental Agenda -
12. Executive Director's Report -
13. Announcements -
14. Adjournment -

DOCUMENTS DEPT.
APR 9 1990
SAN FRANCISCO
PUBLIC LIBRARY

HEALTH SERVICE SYSTEM
REGULAR MEETING OF THE HEALTH SERVICE BOARD
OF THE CITY AND COUNTY OF SAN FRANCISCO
HELD IN THE BOARD MEETING ROOM
1155 MARKET STREET, FOURTH FLOOR
SAN FRANCISCO, CALIFORNIA

Minutes

TUESDAY - FEBRUARY 13, 1990 - 4:00 P.M.

1. CALL TO ORDER - President Paretchan called the meeting to order at 4:00 P.M.

2. PLEDGE OF ALLEGIANCE -

3. ROLL CALL -

   Present: Commissioner Bernstein, Commissioner Deignan, President Paretchan, Vice President Zvanski

   Absent: Commissioner Krueger, Commissioner Loos, Commissioner Walker

4. MINUTES OF REGULAR MEETING OF JANUARY 9, 1990 SUBMITTED FOR APPROVAL.

   Motion was made by Commissioner Bernstein and seconded to approve the minutes of the Regular Meeting of January 9, 1990, as submitted and the motion was adopted (4-0 vote).

5. ACTUARIAL REPORT -

   Mr. Rael, Rael & Letson, reported the Plan I experience through January (Exhibit 'A') reflecting year to date loss ratio of 75% on medical benefits, 85% on prescription drugs, 85% on vision benefits, and an overall loss ratio of 77%. Mr. Rael pointed out that the active employee loss ratio would be at 93% without subsidy and the minor dependent ratio at 99%.

   Mr. Smith added that the 77% loss ratio is skewed somewhat by the fact that the outstanding claims are high at over 7,000 and the average medical expenditures in January were $200,000 below the average for the 1st five months of the year.

   Commissioner Bernstein made a motion, which was seconded to accept the report of the actuary. The motion passed 4-0 vote.

6. REPORT OF APPEALS COMMITTEE -

President Paretchan reported that there were 24 appeals this month and he made a motion, which was seconded, recommending approval of 16 appeals and denials of 6 appeals. The motion was approved 4-0 vote.

The appeal to the full Board of Joan Piper-Gonzalez was calendared this date and Ms. Gonzalez did not appear. President Paretchan made a motion which was seconded, to deny the appeal on the facts as presented. The motion passed 4-0 vote.

7. REPORT OF RATES AND BENEFITS COMMITTEE -

Mr. Smith reported the recommendations of the Committee in the absence of the Chair of the Committee. All recommendations are unanimous unless otherwise shown.

7a. Proposed Rates and Benefits for Contract Health Plans for 1990-91 Fiscal Year

1. Foundation Health Plan

This is an IPA Health Maintenance Organization which is submitting a proposal at the urging of those employees residing in the Tuolumne County area whose current health plan selection is limited to the City Health Plan.

Our records indicate an approximate membership of 378 employees residing in the Tuolumne, San Joaquin and Stanislaus County areas (zip code 952xx-953xx) broken down as follows:

	Employees	Retirees
City Plan	116	152
Kaiser	40	57
Exempt	13	
	169	209

Rate Structure

The rates shown on the composite rate sheet reflect those calling for a $5.00 office visit copayment and a $5 prescription drug copayment. The Plan can also offer a $10 and $15 office visit copayment and $7.00 prescription drug copayment and those rates are reflected in their submission.

COMMITTEE RECOMMENDATION:

Approve offering of Foundation Health Plan in the counties of Tuolumne, Amador, Calaveras, Merced, San Joaquin and Stanislaus. The copayment structure is $5 office visit and $25 mental health. Medicare beneficiaries will have no copayments for visits and a $7 prescription drug copayment.

BOARD ACTION: Commissioner Bernstein made a motion which was seconded, to approve the Committee recommendation, the motion passed 4-0 vote.

2. Kaiser Permanente Health Plan -

This is Kaiser's 41st year with the Health Service System. The Plan is proposing an average 22.7% rate increase including the commencement of adjusted community rating which will assess an extra 5% increase on the base rate supported by the three year utilization experience of our group compared to the utilization experience of all groups in the Kaiser system.

Kaiser's data and formula for adjusted community rating reflect that a 13.2% surcharge should be assessed the group but they are asking only 5% because of an annual cap policy to insulate all adverse experienced groups.

Benefit Change

No major benefit change.

Rate Structure

The Health Plan offers an alternative provided in the submission which would reduce the active contract rates by $2.14 per month, the plus one rate by $4.28, the family rate by $5.70 and the medicare rate by $2.13 per month. The benefit structure would impose a $3.00 copayment per office visit and a $20 copayment for a mental health visit.

COMMITTEE RECOMMENDATION:

Approve Kaiser Health Plan rate proposal (overall 20.7% increase) with office visit copayment increase from -0- to $3 and mental health visit copayment from -0- to $20.

BOARD ACTION: Commissioner Zvanski made a motion, which was seconded, to approve Committee recommendation, the motion passed 4-0 vote.

3. Bridgeway Health Plan -

This is the 12th year of this health plan's affiliation with the City. The Plan is proposing an average 20% rate increase.

Benefit Change

The prescription drug copayment will go from $5 to $7 per 34-day supply.

Rate Structure

The Health Plan does not offer an alternative rate and benefit package.

COMMITTEE RECOMMENDATION:

Approve Bridgeway Health Plan rate proposal (overall 20% increase) with prescription drug copayment going from $5 to $7 for 34-day supply.

BOARD ACTION: Commissioner Deignan made a motion, which was seconded, to approve Committee recommendation, the motion passed 4-0 vote.

4. Bay Pacific Health Plan -

This is the ninth year of this health plan's association with the City. The plan is proposing an average 32.4% rate increase.

The base rates have been increased approximately 20% and a surcharge of approximately 12.5% has been incorporated into the rates as a result of experience rating our group against the Bay Pacific global group. The experience rating is based on a six month period covering the 1st half of 1989.

Benefit Change

The office visit copayment will go from $3 to $5 per visit.

Rate Structure

The Health Plan can offer an alternative rate structure increasing the office visit copayment to $15.00. This would reduce the employee only rate by $9 per month, the one dependent rate by $18 and the family rate by $20 per month.

COMMITTEE RECOMMENDATION:

Approve amended Bay Pacific Health Plan rate proposal (overall 21.3% increase) with copayments for office visit going from $3 to $15, Inpatient hospital copayment from $100 to $200, and emergency room visit copayment from $25 to $50.

BOARD ACTION: Commissioner Zvanski made a motion, which was seconded to approve Committee Recommendation. The motion passed 4-0 vote.

3. Bridgeway Health Plan -

This is the 12th year of this health plan's affiliation with the City. The Plan is proposing an average 20% rate increase.

Benefit Change

The prescription drug copayment will go from $5 to $7 per 34-day supply.

Rate Structure

The Health Plan does not offer an alternative rate and benefit package.

COMMITTEE RECOMMENDATION:

Approve Bridgeway Health Plan rate proposal (overall 20% increase) with prescription drug copayment going from $5 to $7 for 34-day supply.

BOARD ACTION: Commissioner Deignan made a motion, which was seconded, to approve Committee recommendation, the motion passed 4-0 vote.

4. Bay Pacific Health Plan -

This is the ninth year of this health plan's association with the City. The plan is proposing an average 32.4% rate increase.

The base rates have been increased approximately 20% and a surcharge of approximately 12.5% has been incorporated into the rates as a result of experience rating our group against the Bay Pacific global group. The experience rating is based on a six month period covering the 1st half of 1989.

Benefit Change

The office visit copayment will go from $3 to $5 per visit.

Rate Structure

The Health Plan can offer an alternative rate structure increasing the office visit copayment to $15.00. This would reduce the employee only rate by $9 per month, the one dependent rate by $18 and the family rate by $20 per month.

COMMITTEE RECOMMENDATION:

Approve amended Bay Pacific Health Plan rate proposal (overall 21.3% increase) with copayments for office visit going from $3 to $15, Inpatient hospital copayment from $100 to $200, and emergency room visit copayment from $25 to $50.

BOARD ACTION: Commissioner Zvanski made a motion, which was seconded to approve Committee Recommendation. The motion passed 4-0 vote.

5. Heals Health Plan -

This is the fourth year of this health plan's association with the City. The plan is proposing an average 19.1% rate increase.

Benefit Change

There will be a $5 copayment (currently -0-) for office visits and a $25 copayment for annual physicals.

Rate Structure

The Health Plan does not currently offer an alternative rate and benefit package.

COMMITTEE RECOMMENDATION

Approve Heals Health Plan rates proposal (overall 19.1% increase) with office visit copayments going from -0- to $5 and annual physicals from -0- to $25.

BOARD ACTION: Commissioner Bernstein made a motion which was seconded to approve Committee recommendation. The motion passed 4-0 vote.

7b. PROPOSED CITY HEALTH PLAN RATES AND BENEFITS FOR THE 1990-91 FISCAL YEAR

Although the Health Plan experience is better than expected through the 1st half of the year at a 76% overall loss ratio, a number of factors must be added to the evaluation of rate requirements for 1990-91.

Those factors are 1) the subsidies of $1 million in the active rate and $702,000 in the minor dependent rate; 2) the low December medical claim expenditure of $1.6 million versus an average of $2.2 million per month for the 1st five months; 3) the two extra biweekly payrolls recorded in the 1st six months; 4) two shock claims of over $100,000 to be recorded next month; and 5) the fact that the retired experience is much better than the active experience so that the very favorable experience is not shared equally among all categories.

Our actuaries are recommending a 12.8% rate increase overall, however, the freeze in retiree rates results in an approximate 21.6% increase in active rates. The rates proposed are without benefit changes or any subsidization of rates. A medical inflation factor of 17% per annum is used.

COMMITTEE RECOMMENDATION:

Approve option 'E' of options presented by Actuaries resulting in an overall 7% increase (11.7% on active) in contract rates and no benefit changes. This option is expected to cost approximately $2.2 million in trust fund support.

BOARD ACTION: Commissioner Zvanski made a motion, which was seconded to eliminate copayments on all PPO Medicare claims with the exception of all physician visits and emergency room visits. The motion passed 4-0 vote.

Commissioner Zvanski made a motion, which was seconded, to freeze the contribution rates at current levels. The motion passed 4-0 vote.

7c. Proposed Rates and Benefits for Contract Dental Plans for 1990-91 Fiscal Year

1. Colonial Dental Plan

COMMITTEE RECOMMENDATION: Continue this item.

BOARD ACTION: Continue this item.

2. DentiCare Dental Plan

COMMITTEE RECOMMENDATION: Approve DentiCare Dental Plan rates proposal. No change in rates or benefits.

BOARD ACTION: Commissioner Deignan made a motion, which was seconded to approve Committee recommendation. The motion passed 4-0 vote.

3. Safeguard Dental Plan

COMMITTEE RECOMMENDATION: Approve Safeguard Dental Plan rates and copayment benefits. The two option plan will go to one plan.

BOARD ACTION: Commissioner Deignan made a motion, which was seconded to approve Committee recommendation. The motion passed 4-0 vote.

7d. Proposed Disability Plan for 1990-91 Fiscal Year

COMMITTEE RECOMMENDATION: Approve continuance of Colonial Disability Plan with no rate or benefit changes.

BOARD ACTION: Commissioner Deignan made a motion, which was seconded to approve Committee recomendation. The motion passed 4-0 vote.

7e. Proposal of California Chiropractic Services, Inc.

COMMITTEE RECOMMENDATION: Approve 10% conversion factor increase and annual cap increase to $825. Approximate annual cost $7,500.

BOARD ACTION: Commissioner Zvanski made a motion, which was seconded to approve Committee recommendation. The motion passed 4-0 vote.

7f. Proposal of Physical Therapy Provider Network

COMMITTEE RECOMMENDATION: Approve 7.5% increase in conversion rate from $5.58 to $6.00. Approximate annual cost is $23,000.

BOARD ACTION: Commissioner Zvanski made a motion, which was seconded to approve Committee recommendation. The motion passed 4-0 vote.

7g. Proposal of Podiatry Plan Organization of California, Inc.

COMMITTEE RECOMMENDATION: Approve intent to contract with Podiatry Plan effective July 1, 1990.

BOARD ACTION: Commissioner Zvanski made a motion, which was seconded to approve Committee recommendation. The motion passed 4-0 vote.

7h. Preferred Provider Contract Strategy for 1990-91 Fiscal Year

COMMITTEE RECOMMENDATION:

Offer S.F. Hospitals a 6% rate increase and 6% stop loss threshold increase. Offer non-S.F. hospitals an 8.1% increase in rates and stop loss thresholds based on 1989 Bay Area CPI.

BOARD ACTION: Commissioner Deignan made a motion, which was seconded to approve Committee recommendation. The motion passed 4-0 vote.

8. REPORT OF BUDGET COMMITTEE -

Commissioner Zvanski reported the recommendations of the Committee which provide for submission of a baseline budget of $2,162,971 (+5.6%), the majority of the increase representing salary annualization of the 25 positions reclassified in the current budget. In addition, an incremental budget of $2,404,057 (+11.2%) will be submitted representing primarily a request for an increase of seven positions for the department.

Commissioner Bernstein made a motion, which was seconded, to approve submission of the 1990-91 budget as recommended. The motion passed 4-0 vote. (Exhibit 'B'- "B-5")

9. OLD BUSINESS - None

10. NEW BUSINESS -

a. Adoption of 1988-89 Annual Report -

Commissioner Bernstein made a motion which was seconded, to approve the Annual Report. The motion passed 4-0 vote.

b. Request for 1990-91 Rate Increase from Consulting Actuaries -

Commissioner Bernstein made a motion which was seconded, to approve a 4 1/2 increase for Rael & Letson effective July 1, 1990. The motion passed 4-0 vote.

c. Resolution of Commendation on Retirement of Henry Nanjo, Director, Systems and Data Processing -

President Paretchan introduced a resolution in honor of the retirement of Henry Nanjo. Commissioner Bernstein made a motion, which was seconded, to adopt the resolution. The motion passed 4-0 vote.

11. SUPPLEMENTAL AGENDA -

Section 54954.2(b)(2) of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda upon a determination by a two-thirds vote of the legislative body, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision(a).

Commissioner Zvanski made a motion, which was seconded to hear the supplemental agenda. The motion passed 4-0 vote.

a. Consideration of Fee Increase for Preferred Health Network -

The Board heard a presentation from Mr. Michael McLeod of PHN requesting 10% increase effective March 1, 1990.

Current rate is $4,299.75 per month. This would increase their administrative fee to $4,730 per month; an annual cost increase of $5,160. This would be the first increase since July, 1988.

11. SUPPLEMENTAL AGENDA - (cont'd.)

Additional issue is that PHN will no longer share cost of PPO provider directory which cost approximately $29,000 for the 1989-90 fiscal year.

BOARD ACTION: Commissioner Deignan made a motion, which was seconded, to continue this item with a proposal to PHN to give a 2-year rate guarantee and split the cost of the directory.

b. Consideration of Fee Increase for Pacific Peer Review -

Requesting 17% increase per discharge from $30 to $35 effective April 1, 1990. Annual cost approximately $31,500 versus $27,000 currently for UR services only. This would be the first rate increase since inception of contract in 1983.

BOARD ACTION: Commissioner Deignan made a motion, which was seconded, to continue this item so that PPR can make a presentation to the Board. The motion passed 4-0 vote.

12. EXECUTIVE DIRECTOR'S REPORT -

Mr. Smith reported the following:

a. The outstanding claim count stands at 7,033 (an increase from 5,291 last month primarily caused by the three days that the computer system was down during the departmental relocation).

b. The resolution adopting the City contribution rate for 1990-91 was passed by the Board of Supervisors yesterday.

13. ANNOUNCEMENTS -

a. Commissioner Zvanski thank the Retired Employees Association for their petition to the Board of Supervisors opposing the proposed Charter amendment to expand the Health Service Board.

14. ADJOURNMENT -

President Paretchan adjourned the meeting at 5:35 P.M. with a moment of silence in memory of Miriam Steinbeck, a long time member of the Retired Employees Health Service Committee, who passed away on February 2, 1990 at the age of 90.

Randall B. Smith

RANDALL B. SMITH
EXECUTIVE DIRECTOR

REPORT BY ACTUARY ON CASH BASIS FOR THE February 13, 1990 MEETING OF THE HEALTH SERVICE BOARD

PLAN I

Experience for the period July 1, 1989 through January 31, 1990

	CONTRIBUTIONS	CLAIMS	LOSS RATIO FOR MONTH	LOSS RATIO CUMULATIVE
(1) MEDICAL BENEFITS				
Active Employees	$ 7,899,132[a]	$ 6,776,889	103%	86%
Retired Employees (NM)	3,320,474	2,252,005	50	68
Retired Employees (M)	2,645,885	1,167,591	37	44
Adult Dependents (NM)	3,438,829	2,904,082	74	84
Adult Dependents (M)	439,428	184,423	50	42
Minor Dependents	1,767,877[b]	1,348,849	83	76
TOTAL	$19,511,625	$14,633,839	76%	75%
(2) PRESCRIPTION DRUG BENEFIT				
Active Employees	$ 1,084,419	$ 886,289	87%	82%
Retired Employees (NM)	452,155	385,428	79	85
Retired Employees (M)	1,295,458	1,145,809	87	88
TOTAL	$ 2,832,032	$ 2,417,526	86%	85%
(3) VISION CARE BENEFIT				
Active Employees	$ 310,184	$ 282,031	107%	91%
Retired Employees (NM)	74,859	70,127	83	94
Retired Employees (M)	214,235	156,557	66	73
TOTAL	$ 599,278	$ 508,715	88%	85%
(4) ALL COVERAGES				
Active Employees	$ 9,293,735	$ 7,945,209	101%	85%
Retired Employees(NM)	3,847,488	2,707,560	54	70
Retired Employees (M)	4,155,578	2,469,957	54	59
Adult Dependents (NM)	3,438,829	2,904,082	74	84
Adult Dependents (M)	439,428	184,423	50	42
Minor Dependents	1,767,877	1,348,849	83	76
TOTAL	$22,942,935	$17,560,080	77%	77%

a Includes $583,333 of principal subsidy.

b Includes $409,500 of interest subsidy.

HEALTH SERVICE SYSTEM
REGULAR MEETING OF THE HEALTH SERVICE BOARD
OF THE CITY AND COUNTY OF SAN FRANCISCO
HELD IN THE BOARD MEETING ROOM
1155 MARKET STREET, FOURTH FLOOR
SAN FRANCISCO, CALIFORNIA

DOCUMENTS DEPT.
MAR 7 1990
SAN FRANCISCO
PUBLIC LIBRARY

TUESDAY - MARCH 13, 1990 - 4:00 P.M.

AGENDA

1. Call to Order.
2. Pledge of Allegiance.
3. Roll Call:
   Commissioner Bernstein
   Commissioner Deignan
   Commissioner Krueger
   Commissioner Loos
   President Paretchan
   Commissioner Walker
   Vice President Zvanski
4. Minutes of Regular Meeting of February 13, 1990 submitted for approval.
5. Actuarial Report - Rael & Letson
6. Report of Appeals Committee - President Paretchan, Chair
7. Report of Rates and Benefits Committee - Commissioner Krueger, Chair
   a. Consideration of Rates and Benefits for Indemnity Dental Plan for the 1990-91 Fiscal Year
8. Old Business -
   a. Request by Bay Pacific to lower their Rates for 1990-91 Fiscal Year.
   b. Consideration of Fee Increase for Preferred Health Network (Continued from February 13th)
   c. Consideration of Fee Increase for Pacific Peer Review (Continued from February 13th)
9. New Business -
10. Supplemental Agenda -
11. Executive Director's Report -
12. Announcements -
13. Adjournment -

Dist. 'C'
0143A-2

[MINUTES]

3/90

HEALTH SERVICE SYSTEM
REGULAR MEETING OF THE HEALTH SERVICE BOARD
OF THE CITY AND COUNTY OF SAN FRANCISCO
HELD IN THE BOARD MEETING ROOM
1155 MARKET STREET, FOURTH FLOOR
SAN FRANCISCO, CALIFORNIA

DOCUMENTS DEPT.
MAY 3 1990
SAN FRANCISCO
PUBLIC LIBRARY

TUESDAY - MARCH 13, 1990 - 4:00 P.M.

1. CALL TO ORDER - President Paretchan called the meeting to order at 4:00 P.M.

2. PLEDGE OF ALLEGIANCE -

3. ROLL CALL -

   Present: Commissioner Bernstein, Commissioner Deignan, Commissioner Krueger, Commissioner Loos, President Paretchan, Vice President Zvanski

   Absent: Commissioner Walker

4. MINUTES OF REGULAR MEETING OF FEBRUARY 13, 1990 SUBMITTED FOR APPROVAL.

   Motion was made by Commissioner Bernstein and seconded to approve the minutes of the Regular Meeting of February 13, 1990, as submitted and the motion was adopted (6-0 vote).

5. ACTUARIAL REPORT -

   Mr. Rael, Rael & Letson, reported the Plan I experience through February (Exhibit 'A') reflecting year to date loss ratio of 76% on medical benefits, 86% on prescription drugs, 84% on vision benefits, and an overall loss ratio of 78%. Mr. Rael pointed out that the active employee loss ratio would be at 92% without subsidy, the minor dependent ratio at 103% and the overall at 81%.

   The Board discussed and questioned the actuary and staff on subsidies, the claims backlog and the prescription drug benefit.

   Commissioner Bernstein made a motion, which was seconded to accept and file the report of the actuary. The motion passed 6-0 vote.

6. REPORT OF APPEALS COMMITTEE -

President Paretchan reported that there were 11 appeals this month and that there is a recommendation to approve 5 appeals and deny 6 appeals. Commissioner Deignan made a motion, which was seconded, to accept the recommendation of the Appeals Committee. The motion was approved 6-0 vote.

7. REPORT OF RATES AND BENEFITS COMMITTEE - Commissioner Krueger, Chair

7a. Consideration of Rates and Benefits for Indemnity Dental Plan for the 1990-91 Fiscal Year -

Commissioner Krueger reported the recommendation of the Committee from its meeting on March 5th to continue the Colonial Life Dental Plan after hearing proposals from two other contractors, DentiCare and Delta Dental.

The reasons for retaining Colonial were concern over maintaining a viable long term indemnity dental plan in the absence of employer contribution and the fact that Colonial gave the City a 2 year rate guarantee with a 14.7% increase in active rates and no increase for the retired rates.

Commissioner Loos made a motion, which was seconded, to approve the recommendation of the Rates and Benefits Committee. The motion passed (6-0 vote).

8. OLD BUSINESS -

a. Request by Bay Pacific to Lower Their Rate for 1990-91 Fiscal Year

Mr. Mendonsa, Bay Pacific, requested that the Board allow the Plan to reduce the plus one dependent rate by $8.84 per month to help reduce a perceived risk caused by large rate increases.

Commissioner Bernstein made a motion, which was seconded to approve the rate reduction in the plus one dependent rate. The motion passed (6-0 vote).

b. Consideration of Fee Increase for Preferred Health Network (continued from February 13th)

Mr. McLeod, PHN, reported that PHN is agreeable to postponing the rate increase to July 1, 1990, but that they cannot provide a 2-year rate guarantee nor can they share the cost of the directory.

After discussion, Commissioner Bernstein made a motion, which was seconded, to approve a rate increase of 10% for PHN effective July 1, 1990. The motion passed (6-0 vote).

The issue of the PPO directory publication was deferred for investigation by Commissioner Zvanski and staff.

c. Consideration of Fee Increase for Pacific Peer Review - (continued from February 13th)

Margaret Kelly, PPR, presented a rate increase proposal for hospital utilization review from $30 to $35 per discharge based on their costs and the fact that there has not been a fee increase since 1983.

Ms. Kelly reported the direct cost benefit ratio for HSS in 1989 was 1 to 4.4. She also recommended that the Board go to non-delegated hospital review at a cost of $45 per discharge.

After discussion and review of 1989 cost data, Commissioner Krueger made a motion, which was seconded, to approve the PPR non-delegated review program at a cost of $45.00 per discharge effective July 1, 1990. The motion passed (6-0 vote).

9. NEW BUSINESS - None

10. SUPPLEMENTAL AGENDA -

Section 54954.2(b)(2) of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda upon a determination by a two-thirds vote of the legislative body, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision(a).

Commissioner Zvanski made a motion, which was seconded to hear the supplemental agenda. The motion passed 6-0 vote.

a. Section 125 Dependent Care Assistance Program -

Mr. Claude Kolm, City Attorney, reported that the City has entered into a Memorandum of Understanding with the nurses union to implement a DECAP program under the Section 125 Plan effective July 1, 1990.

Mr. Kolm provided the Board information on the program and presented a verbal overview. The main objectives in achieving this program were minimum impact to HSS staff and minimum cost to the employee to participate.

After discussion, President Paretchan referred the item to the Rates and Benefits Committee for hearing.

10. SUPPLEMENTAL AGENDA - (cont'd.)

b. Reconsideration of Kaiser Health Plan Rates and Benefits for 1990-91 -

Mr. Smith presented a review of the Board's action on the Kaiser Plan made at its February 13, 1990 meeting. The Board was asked to reconsider its action on this Plan based on a re-examination of the reasons for the initial action, namely, 1) to reduce medical utilization in order to reduce costs and 2) to provide a balanced benefit level to all plans.

After discussion, Commissioner Loos made a motion, which was seconded, to rescind the previous action of the Board on the Kaiser Health Plan. The motion passed 4-2 vote (Bernstein, Krueger).

Note: Two-thirds vote necessary for rescinding previous action.

Commissioner Deignan made a motion, which was seconded to approve Kaiser's initial rate proposal of 22.9% with no copayments for office visits. The motion passed 4-2 (Bernstein, Krueger).

11. EXECUTIVE DIRECTOR'S REPORT -

Mr. Smith reported the following:

a. The outstanding claim count stands at 6,739 (primarily caused by the three days that the computer system was down during the departmental relocation).

b. The Annual Statements of Economic Interests are due by April 2, 1990.

12. ANNOUNCEMENTS - None

13. ADJOURNMENT -

There being no further business, President Paretchan adjourned the meeting at 5:55 P.M..

Randall B. Smith

RANDALL B. SMITH
EXECUTIVE DIRECTOR

REPORT BY ACTUARY ON CASH BASIS FOR THE MARCH 13, 1990 MEETING OF THE HEALTH SERVICE BOARD

PLAN I

Experience for the period July 1, 1989 through February 28, 1990

	CONTRIBUTIONS	CLAIMS	LOSS RATIO FOR MONTH	LOSS RATIO CUMULATIVE
(1) MEDICAL BENEFITS				
Active Employees	$ 8,943,722[a]	$ 7,603,144	79%	85%
Retired Employees (NM)	3,786 633	2,738,485	104	72
Retired Employees (M)	3,017,972	1,333,354	45	44
Adult Dependents (NM)	3,899,101	3,380,456	103	87
Adult Dependents (M)	502,247	213,032	46	42
Minor Dependents	2,004,327[b]	1,589,514	102	79
TOTAL	$22,154,002	$16,857,985	84%	76%
(2) PRESCRIPTION DRUG BENEFIT				
Active Employees	$ 1,227,135	$ 1,011,737	88%	82%
Retired Employees (NM)	515,531	438,466	84	85
Retired Employees (M)	1,481,141	1,324,247	96	89
TOTAL	$ 3,223,807	$ 2,774,450	91%	86%
(3) VISION CARE BENEFIT				
Active Employees	$ 350,877	$ 315,368	82%	90%
Retired Employees (NM)	85,329	77,432	70	91
Retired Employees (M)	244,925	179,159	74	73
TOTAL	$ 681,131	$ 571,959	77%	84%
(4) ALL COVERAGES				
Active Employees	$10,521,734	$ 8,930,248	80%	85%
Retired Employees(NM)	4,387,493	3,254,383	101	74
Retired Employees (M)	4,744,038	2,836,761	62	60
Adult Dependents (NM)	3,899,101	3,380,456	103	87
Adult Dependents (M)	502,247	213,032	46	42
Minor Dependents	2,004,327	1,589,514	102	79
TOTAL	$26,058,940	$20,204,394	85%	78%

a Includes $666,667 of principal subsidy.

b Includes $468,000 of interest subsidy.

F
25
2
0/10

HEALTH SERVICE SYSTEM
REGULAR MEETING OF THE HEALTH SERVICE BOARD
OF THE CITY AND COUNTY OF SAN FRANCISCO
HELD IN THE BOARD MEETING ROOM
1155 MARKET STREET, FOURTH FLOOR
SAN FRANCISCO, CALIFORNIA

DOCUMENTS DEPT.
APR 9 1990
SAN FRANCISCO
PUBLIC LIBRARY

TUESDAY - APRIL 10, 1990 - 4:00 P.M.

AGENDA

1. Call to Order.
2. Pledge of Allegiance.
3. Roll Call:
   Commissioner Bernstein
   Commissioner Deignan
   Commissioner Krueger
   Commissioner Loos
   President Paretchan
   Commissioner Walker
   Vice President Zvanski
4. Minutes of Regular Meeting of March 13, 1990 submitted for approval.
5. Actuarial Report - Rael & Letson
6. Report of Appeals Committee - President Paretchan, Chair
7. Report of Rates and Benefits Committee - Commissioner Krueger, Chair
   a. Section 125 Dependent Assistance Program
8. Old Business -
   a. PHN Directory
9. New Business -
   a. Authorization of Board/Staff Members to Attend IFEB Benefits Conference for Public Employees on June 25-27, 1990.
10. Supplemental Agenda -
11. Executive Director's Report -
12. Announcements -
13. Adjournment -

Dist. 'C'
0143A-2

F
25
3
0|90

HEALTH SERVICE SYSTEM
REGULAR MEETING OF THE HEALTH SERVICE BOARD
OF THE CITY AND COUNTY OF SAN FRANCISCO
HELD IN THE BOARD MEETING ROOM
1155 MARKET STREET, FOURTH FLOOR
SAN FRANCISCO, CALIFORNIA

MENTS DEPT.
JUN 6 199
PUBLIC LIBRARY

[MINUTES]

TUESDAY - APRIL 10, 1990 - 4:00 P.M.

1. CALL TO ORDER - President Paretchan called the meeting to order at 4:05 P.M.

2. PLEDGE OF ALLEGIANCE -

3. ROLL CALL -

   Present: Commissioner Bernstein, President Paretchan, Commissioner Krueger, Vice President Zvanski, Commissioner Loos

   Absent: Commissioner Deignan, Commissioner Walker

4. MINUTES OF REGULAR MEETING OF MARCH 13, 1990 SUBMITTED FOR APPROVAL.

   Motion was made by Commissioner Bernstein and seconded to approve the minutes of the Regular Meeting of March 13, 1990, as submitted and the motion was adopted (5-0 vote).

5. ACTUARIAL REPORT -

   Mr. Rael, Rael & Letson, reported the Plan I experience through March (Exhibit 'A') reflecting a year to date loss ratio of 80% on medical benefits, 87% on prescription drugs, 84% on vision benefits, and an overall loss ratio of 81%. Mr. Rael pointed out that the loss ratio would be at 85% without subsidy.

   The Board discussed and questioned the actuary and staff on the outstanding claims backlog and the experience trend.

   Commissioner Bernstein made a motion, which was seconded to accept and file the report of the actuary. The motion passed 5-0 vote.

6. REPORT OF APPEALS COMMITTEE - President Paretchan, Chair

President Paretchan reported that there were 18 appeals this month and that there is a recommendation to approve 11 appeals and deny 6 appeals, 1 case was continued. Commissioner Bernstein made a motion, which was seconded, to accept the recommendation of the Appeals Committee. The motion was approved 5-0 vote.

7. REPORT OF RATES AND BENEFITS COMMITTEE - Commissioner Krueger, Chair

7a. Section 125 Dependent Care Assistance Program -

Commissioner Krueger reported and made a motion on the recommendation of the Committee from its meeting on March 22nd to approve the adoption of the Dependent Care Assistance Program effective July 1, 1990 to be administered by BenefitAmerica. Commissioner Zvanski seconded the motion. The motion passed (5-0 vote).

8. OLD BUSINESS -

a. PHN Directory (continued from March 13, 1990)

Mr. Smith reported that the City's Reproduction Bureau could do the job for $10,000 - $12,000 compared to the Adapt Publishing proposal of $6,195. Discussion followed on the relative costs versus production by a non-union local shop or out of state union shop.

City Attorney, Claude Kolm, commented that the Board had a fiduciary responsibility to spend monies of the Fund as wisely as possible considering that all pertinent factors are relatively equal.

After extensive discussion, Commissioner Zvanski made a motion, which was seconded, to approve the publication of the directory by Adapt Publishing. The motion passed (5-0 vote).

9. NEW BUSINESS -

a. Authorization of Board/Staff Members to Attend IFEB Benefits Conference for Public Employees on June 25-27, 1990

Commissioner Zvanski made a motion, which was seconded, to authorize attendance by Board Members and staff at the IFEB conference on June 25-27, 1990. The motion passed (5-0 vote).

10. SUPPLEMENTAL AGENDA - None

11. EXECUTIVE DIRECTOR'S REPORT -

Mr. Smith reported the following:

a. Provided the Board an overview of the open enrollment process and publications including the Colonial material distribution. Julian Emerson of Colonial Life participated in the overview.

11. EXECUTIVE DIRECTOR'S REPORT (cont'd.)

b. Without Board objection, the System would expand telephone hours for the open enrollment month of May as a courtesy to our membership. There was no objection.

c. Met with Mayor's Budget Analyst and learned that it would be 2 to 3 weeks yet before we will have an idea of the Mayor's office reaction to our budget proposal. Ideas on positions supported by COBRA and Medicare savings revenue were provided to the Mayor's office to hopefully enhance our ability to obtain new positions. If we are dissatisfied with the Budget Directors disposition of our budget, we may appeal to the Deputy Mayor and Mayor.

d. The first cost estimates on providing infertility benefits pursuant to AB900 have been received from Kaiser Health Plan. Those estimates were an added $1.98 on the single rate, $3.96 on the plus one dependent and $5.27 on the family rate. This would approximate about $570,000 per year.

e. The outstanding claim count remains high at 7,277 compared to 6,739 last month.

12. ANNOUNCEMENTS - None

13. ADJOURNMENT -

There being no further business, President Paretchan adjourned the meeting at 5:05 P.M..

Randall B. Smith

RANDALL B. SMITH
EXECUTIVE DIRECTOR

REPORT BY ACTUARY ON CASH BASIS FOR THE APRIL 10, 1990 MEETING OF THE HEALTH SERVICE BOARD

PLAN I

Experience for the period July 1, 1989 through March 31, 1990

	CONTRIBUTIONS	CLAIMS	LOSS RATIO FOR MONTH	LOSS RATIO CUMULATIVE
(1) MEDICAL BENEFITS				
Active Employees	$ 9,973,809[a]	$ 8,991,845	135%	90%
Retired Employees (NM)	4,252,185	3,241,682	108	76
Retired Employees (M)	3,398,253	1,554,484	58	46
Adult Dependents (NM)	4,351,121	3,919,017	119	90
Adult Dependents (M)	565,048	264,022	81	47
Minor Dependents	2,238,148[b]	1,820,832	99	81
TOTAL	$24,778,564	$19,791,882	112%	80%
(2) PRESCRIPTION DRUG BENEFIT				
Active Employees	$ 1,367,713	$ 1,139,860	91%	83%
Retired Employees (NM)	578,841	489,501	81	85
Retired Employees (M)	1,668,184	1,498,237	93	90
TOTAL	$ 3,614,738	$ 3,127,598	90%	87%
(3) VISION CARE BENEFIT				
Active Employees	$ 390,952	$ 352,724	93%	90%
Retired Employees (NM)	95,797	86,384	86	90
Retired Employees (M)	275,834	202,476	75	73
TOTAL	$ 762,583	$ 641,584	85%	84%
(4) ALL COVERAGES				
Active Employees	$11,732,474	$10,484,429	128%	89%
Retired Employees(NM)	4,926,823	3,817,567	104	77
Retired Employees (M)	5,342,271	3,255,197	70	61
Adult Dependents (NM)	4,351,121	3,919,017	119	90
Adult Dependents (M)	565,048	264,022	81	47
Minor Dependents	2,238,148	1,820,832	99	81
TOTAL	$29,155,885	$23,561,064	108%	81%

a Includes $750,000 of principal subsidy.

b Includes $526,500 of interest subsidy.

HEALTH SERVICE SYSTEM
REGULAR MEETING OF THE HEALTH SERVICE BOARD
OF THE CITY AND COUNTY OF SAN FRANCISCO
HELD IN THE BOARD MEETING ROOM
1155 MARKET STREET, FOURTH FLOOR
SAN FRANCISCO, CALIFORNIA

TUESDAY - MAY 8, 1990 - 4:00 P.M.

DOCUMENTS DEPT.
MAY 3 19
PUBLIC LIBRARY

AGENDA

1. Call to Order.
2. Pledge of Allegiance.
3. Roll Call:
   - Commissioner Bernstein
   - Commissioner Deignan
   - Commissioner Krueger
   - Commissioner Loos
   - President Paretchan
   - Commissioner Walker
   - Vice President Zvanski
4. Minutes of Regular Meeting of April 10, 1990 submitted for approval.
5. Actuarial Report - Rael & Letson
6. Report of Appeals Committee - President Paretchan, Chair
7. Old Business -
   a. Preferred Provider Directory
8. New Business -
   a. Open Enrollment Status Report
   b. COBRA Disability Continuation Rate
9. Supplemental Agenda -
10. Executive Director's Report -
11. Announcements -
12. Adjournment -

Dist. 'C'
0143A-2

90

HEALTH SERVICE SYSTEM
REGULAR MEETING OF THE HEALTH SERVICE BOARD
OF THE CITY AND COUNTY OF SAN FRANCISCO
HELD IN THE BOARD MEETING ROOM
1155 MARKET STREET, FOURTH FLOOR
SAN FRANCISCO, CALIFORNIA
(Minutes of the Meeting)

TUESDAY - MAY 8, 1990 - 4:00 P.M.

DOCUMENTS DEPT.
SAN FRANCISCO
PUBLIC LIBRARY

1. CALL TO ORDER - President Paretchan called the meeting to order at 4:05 P.M.

2. PLEDGE OF ALLEGIANCE -

3. ROLL CALL -

Present:	Commissioner Bernstein	President Paretchan
	Commissioner Deignan	Vice President Zvanski
	Commissioner Loos	
Absent:	Commissioner Krueger	
	Commissioner Walker	

4. MINUTES OF REGULAR MEETING OF APRIL 10, 1990 SUBMITTED FOR APPROVAL.

   Motion was made by Commissioner Bernstein and seconded to approve the minutes of the Regular Meeting of April 10, 1990, as submitted and the motion was adopted (5-0 vote).

5. ACTUARIAL REPORT -

   Ms. Hagler, Rael & Letson, reported the Plan I experience through April (Exhibit 'A') reflecting a year to date loss ratio of 81% (89% for the month) on medical benefits, 92% on prescription drugs (139% month), 85% on vision benefits, (92% month) and an overall loss ratio of 82% (95% month).

   Ms. Hagler pointed out that there are two months during the year in which there are three biweekly billings from PCS accounting for the high monthly loss ratio on prescription drugs.

   She also indicated that the active loss ratio would be at 99%, the minor dependent at 108% and the overall loss ratio at 86% without subsidy.

   The President ordered the report filed.

6. REPORT OF APPEALS COMMITTEE - President Paretchan, Chair

   President Paretchan reported that there were 27 appeals this month and that there is a recommendation to approve 23 appeals and deny 4 appeals. Commissioner Loos made a motion, which was seconded, to accept the recommendation of the Appeals Committee. The motion was approved 5-0 vote.

6. REPORT OF APPEALS COMMITTEE (cont'd.)

President Paretchan also presented an appeal to the Board by Neil Hart (17027-00) requesting medical benefits for services of a non state licensed provider rendering a posture and body mechanics technique called Alexander Technique.

Commissioner Bernstein made a motion, which was seconded, to deny Mr. Hart's appeal. The motion was approved 5-0 vote.

7. OLD BUSINESS -

a. Preferred Provider Directory

Mr. Smith reported that Adapt Publishing made an erroneous proposal of $6,195 thinking that they were bidding on 10,000 copies instead of 20,000.

It has also been determined that the City Reproduction Bureau and the PUC Reproduction Bureau cannot do the job.

The job of printing the directory will be put out to bid by the City Purchaser with Adapt providing camera ready art work. (Information item only).

b. Foundation Vision Benefit -

Information was provided to the Board in response to inquiries from Hetch Hetchy employees on the Foundation Health Plan vision rider. The benefit would have cost an additional $4.70 on the employee only, $9.40 on the one dependent and $13.00 on the family rates. Vision exams would be provided at no charge and a $70 voucher credit would be given on materials. (Information item only).

8. NEW BUSINESS -

a. Open Enrollment Status Report -

Mr. Smith reported very limited data on the open enrollment which showed 476 applications received through office visitation compared to 308 last year through 5 days and 164 applications received by mail compared to 157 last year. It is not projected to be as active as last year when over 8,900 applications were filed. All open enrollment materials have been delivered to departments or mailed to retirees.

Mr. Emerson, Colonial Life, reported that Colonial has taken a different strategy this year by setting up benefit tables in various key locations.

A voice mail telephone number has also been set up to take employee inquiry calls. The telephone number was printed on the May 8th paycheck.

Colonial will also be providing a person to the Health Service System to assist with input of open enrollment changes for three weeks starting May 21st (Information item only).

8. NEW BUSINESS (cont'd.)

b. Cobra Disability Continuation Rate -

Ms. Smith reported that the Omnibus Budget Reconciliation Act (OBRA-89) provides that if a COBRA participant is determined under the Social Security Act to have been disabled at the time of termination of employment (or reduction in hours) that person can extend the continuation period from 18 months to 29 months. To be eligible for this extension, the qualified beneficiary must notify the plan administrator (employer) before the end of the initial 18 months of COBRA coverage and within 60 days of the determination of disability under the Social Security Act. The premium for the additional 11 months of coverage can be 150% of the cost of coverage for similarly situated active employees. Thus, 48% more than the normal COBRA administration practices beginning July 1, 1990.

The extension of COBRA coverage is mandatory, but the 150% cost of an active employee is permissive.

Commissioner Deignan made a motion, which was seconded, to approve a premium charge of 150% for disability COBRA participants between the 19th and 29th months of coverage. The motion was passed 5-0 vote.

9. SUPPLEMENTAL AGENDA - None

10. EXECUTIVE DIRECTOR'S REPORT -

Mr. Smith reported the following:

a. The outstanding claim count is at 6,522 which is a reduction from the 7,277 last month. This count is down although we have averaged 4,185 claims a week over the last month compared to a 3,780 claim average year to date.

b. The Vision Service Plan has notified us that they will defer an administrative fee increase of $.03 per subscriber per month until next year because of the tardiness of their request.

c. PCS has advised us of new enchancements to the MAC program expanding the number of generic drugs covered under the program and monitoring the brand drugs dispensed by requiring a 'Dispensed as Written' code input by the pharmacist.

d. SEIU has advised the Department of Public Health that under their nurses MOU provisions that they are to jointly approach the Health Service Board on the feasibility of implementing a chemical rehabilitation benefit through the health plans.

10. EXECUTIVE DIRECTOR'S REPORT (cont'd.)

e. The last day for introduction of November Charter Amendments is May 21, 1990. Commissioner Zvanski indicated that SEIU will be requesting introduction of a charter amendment addressing the contribution formula.

f. Only four hospitals have agreed to our contract proposals. They are Mount Zion, Mills/Peninsula, Petaluma Valley and John Muir Hospitals.

11. ANNOUNCEMENTS - None

12. ADJOURNMENT -

There being no further business, President Paretchan adjourned the meeting at 4:55 P.M..

Randall B. Smith

RANDALL B. SMITH
EXECUTIVE DIRECTOR

REPORT BY ACTUARY ON CASH BASIS FOR THE MAY 8, 1990
MEETING OF THE HEALTH SERVICE BOARD

PLAN I

xperience for the period July 1, 1989 through April 30, 1990

	CONTRIBUTIONS	CLAIMS	LOSS RATIO FOR MONTH	LOSS RATIO CUMULATIVE
1) MEDICAL BENEFITS				
ctive Employees	$ 10,997,444[a]	$ 10,011,789	100%	91%
etired Employees (NM)	4,714,093	3,663,688	91	78
etired Employees (M)	3,780,198	1,761,600	54	47
dult Dependents (NM)	4,793,234	4,333,073	94	90
dult Dependents (M)	628,532	303,154	62	48
inor Dependents	2,467,751[b]	2,028,017	90	82
TOTAL	$ 27,381,252	$ 22,101,321	89%	81%
2) PRESCRIPTION DRUG BENEFIT				
ctive Employees	$ 1,507,334	$ 1,340,945	144%	89%
etired Employees (NM)	641,631	570,889	130	89
etired Employees (M)	1,855,957	1,757,190	138	95
TOTAL	$ 4,004,922	$ 3,669,024	139%	92%
3) VISION CARE COVERAGES				
ctive Employees	$ 430,753	$ 393,700	103%	91%
etired Employees (NM)	106,171	97,859	111	92
etired Employees (M)	306,861	224,426	71	73
TOTAL	$ 843,785	$ 715,985	92%	85%
4) ALL COVERAGES				
ctive Employees	$ 12,935,531	$ 11,746,434	105%	91%
etired Employees (NM)	5,461,895	4,332,436	96	79
etired Employees (M)	5,943,016	3,743,216	81	63
dult Dependents (NM)	4,793,234	4,333,073	94	90
dult Dependents (M)	628,532	303,154	62	48
inor Dependents	2,467,751	2,028,017	90	82
TOTAL	$ 32,229,959	$ 26,486,330	95%	82%

Includes $ 833,333 of principal subsidy.
Includes $ 585,000 of interest subsidy.

25
2
12/90

HEALTH SERVICE SYSTEM
REGULAR MEETING OF THE HEALTH SERVICE BOARD
OF THE CITY AND COUNTY OF SAN FRANCISCO
HELD IN THE BOARD MEETING ROOM
1155 MARKET STREET, FOURTH FLOOR
SAN FRANCISCO, CALIFORNIA

TUESDAY - JUNE 12, 1990 - 4:00 P.M.

DOCUMENTS DEPT.
JUN 6 1990
PUBLIC LIBRARY

AGENDA

1. Call to Order.
2. Pledge of Allegiance.
3. Roll Call:
   Commissioner Bernstein
   Commissioner Deignan
   Commissioner Krueger
   Commissioner Loos
   President Paretchan
   Commissioner Walker
   Vice President Zvanski
4. Minutes of Regular Meeting of May 8, 1990 submitted for approval.
5. Actuarial Report - Rael & Letson
6. Report of Appeals Committee - President Paretchan, Chair
7. Old Business -
   a. Open Enrollment Activity Report
8. New Business -
   a. Amendment of Section 125 Plan Document
   b. Consideration of 1990-91 Hospital Contracts
   c. Consideration of 1990-91 Physician Fee Schedule
   d. Consideration of Administrative Fee and Ingredient Cost Increase by America's Pharmacy
   e. Election of Officers for 1990-91 Fiscal Year.
9. Supplemental Agenda -
10. Executive Director's Report -
11. Announcements -
12. Adjournment -

Dist. 'C'
0143A-2

5
3
2/90

HEALTH SERVICE SYSTEM
REGULAR MEETING OF THE HEALTH SERVICE BOARD
OF THE CITY AND COUNTY OF SAN FRANCISCO
HELD IN THE BOARD MEETING ROOM
1155 MARKET STREET, FOURTH FLOOR
SAN FRANCISCO, CALIFORNIA

[MINUTES]

DOCUMENTS DEPT.
AUG 1 1990
SAN FRANCISCO
PUBLIC LIBRARY

TUESDAY - JUNE 12, 1990 - 4:00 P.M.

1. CALL TO ORDER - President Paretchan called the meeting to order at 4:05 P.M.

2. PLEDGE OF ALLEGIANCE -

3. ROLL CALL -

   Present: Commissioner Bernstein, Commissioner Deignan, Commissioner Loos, President Paretchan, Vice President Zvanski

   Absent: Commissioner Krueger, Commissioner Walker

4. MINUTES OF REGULAR MEETING OF MAY 8, 1990 SUBMITTED FOR APPROVAL.

   Motion was made by Commissioner Bernstein and seconded to approve the minutes of the Regular Meeting of May 8, 1990, as submitted and the motion was adopted (5-0 vote).

5. ACTUARIAL REPORT -

   Mr. Rael, Rael & Letson, reported the Plan I experience through May (Exhibit 'A') reflecting a year to date loss ratio of 81% (84% for the month) on medical benefits, 92% on prescription drugs (99% month), 85% on vision benefits, (90% month) and an overall loss ratio of 82% (86% month).

   He also indicated that the active loss ratio would be at 99% instead of 91% without subsidy. Mr. Smith added that the 143% loss ratio on minor dependents was primarily caused by a $123,000 newborn hospital bill. The loss ratio would be at 100% absent that claim.

   The President ordered the report filed.

6. REPORT OF APPEALS COMMITTEE - President Paretchan, Chair

   President Paretchan reported that there were 20 appeals this month and that there is a recommendation to approve 17 appeals and deny 3 appeals. Commissioner Deignan made a motion, which was seconded, to accept the recommendation of the Appeals Committee. The motion was approved 5-0 vote.

7. OLD BUSINESS -

a. Open Enrollment Activity Report -

Mr. Smith reported on the open enrollment data entered into the Membership System through June 10th. The data reflects about 80% to total activity.

A total of 8,561 applications were received this year compared to 8,936 last year. A summary of the activity (Exhibit B1-B5) was provided to the Board and reviewed.

The major enrollment changes occurred with the loss of 1,336 lives in the Bay Pacific Plan and the gain of 1,350 lives to the Bridgeway Plan. In addition, the DentiCare Plan had gained almost 900 subscribers.

There was general consensus that the open enrollment went smoothly with very few problems related to the Colonial representatives, unlike previous enrollment periods.

Mr. Emerson, Colonial Life, indicated that about 176 dependent care assistance applications were filed. He was also pleased with the membership growth in the Colonial dental plan. (Information Item only).

8. NEW BUSINESS

a. Amendment of Section 125 Plan Document -

Mr. Claude Kolm, Deputy City Attorney presented an overview of the proposed amendments to the Section 125 Plan and answered questions from the Board.

After discussion, Commissioner Zvanski made a motion, which was seconded to approve the amendments to the Section 125 Cafeteria Plan. The motion passed 5-0 vote.

b. Consideration of 1990-91 Hospital Contracts -

Mr. Smith presented proposed rates for nine hospital contracts for the 1990-91 fiscal year. The rates were determined through a negotiating process which started with the Board's initial offers to the hospitals in February, counter offers by some hospitals, and counter offers to those offers made in consultation with the System's actuary, the President, Vice President and staff.

The nine hospital contracts up for approval will increase inpatient hospital costs approximately $300,000 a year.

After discussion, Commissioner Zvanski made a motion, which was seconded, to approve the proposed rates for Mount Zion, Pacific Presbyterian, Mills/Peninsula, Health Dimension, John Muir, Washington, Marin General, Petaluma Valley and Santa Rosa Memorial Hospitals. The motion passed 5-0 vote.

8. NEW BUSINESS (cont'd.)

c. Consideration of 1990-91 Physician Fee Schedule

Mr. Smith presented the proposed rates for physician contracts for the 1990-91 fiscal year. The rates were determined in consultation with the System's Actuaries, the President, Vice President and staff.

There have been only minor rate adjustments since 1984. The rates proposed represent a reasonable offer to the physicians but are still below many PPO organizations existing rates.

After discussion, Commissioner Zvanski made a motion, which was seconded, to approve the proposed physician rate schedule for 1990-91 (Exhibit 'C'). The motion passed 5-0 vote.

d. Consideration of Administrative Fee and Ingredient Cost Increase by America's Pharmacy -

Mr. Smith reported that he met with David Eilerman of America's Pharmacy on May 23rd regarding their proposed administrative rate increase and reduction in discount off AWP. Current pricing is AWP-16% plus $2.25 dispensing fee. Proposed pricing effective July 1, 1990 is AWP-13% plus $4.00 dispensing fee because of the low sales volume of the program.

After discussion, Commissioner Loos made a motion, which was seconded, to propose to America's Pharmacy that the AWP-16% be maintained and the dispensing fee rise to $4.00 effective July 1, 1990. The motion passed 5-0 vote.

e. Election of Officers for 1990-91 Fiscal Year -

Commissioner Bernstein made a motion, which was seconded, nominating Commissioner Paretchan for President for the 1990-91 fiscal year.

Commissioner Bernstein made a motion, which was seconded, that nominations be closed for President. The motions passed 4-0 vote (Paretchan abstaining).

Commissioner Bernstein made a motion, which was seconded, nominating Commissioner Zvanski for Vice-President for the 1990-91 fiscal year.

Commissioner Bernstein made a motion, which was seconded, that nominations be closed for Vice-President. The motions passed 4-0 vote (Zvanski abstaining).

9. SUPPLEMENTAL AGENDA - None

10. EXECUTIVE DIRECTOR'S REPORT -

Mr. Smith reported the following:

a. The outstanding claim count is at 4,745 as of June 1st which is a reduction from the 6,522 last month. This count is the lowest since prior to the October earthquake.

10. EXECUTIVE DIRECTOR'S REPORT -

b. The department's administrative budget has been approved by the Mayor at the baseline level only ($2.26 million) and has now been forwarded to the Board of Supervisors. This budget contains no increase in positions. The Mayor's office maintains that nothing could be done this year because of the budget deficit caused mainly by the earthquake and the Hetch Hetchy water shortfall. The Retired Employees Association was acknowledged for their support in writing to the Mayor and Board of Supervisors.

c. Supervisor Nelder has asked the City Attorney to draft a Charter amendment amending Sections 8.423 and 8.429 to limit future increases in health premiums to employees. The City Attorney has provided three alternatives. It is not known yet which proposal, if any, the Supervisor will calendar for Committee hearing.

d. Proposition G passed which allows the Board of Supervisors by ordinance to approve the continuation in the Health Service System of former supervisors who would pay the full cost for their coverage.

e. Kaiser has provided us with the full utilization data for the 1989 calendar year. Only two years and six months of data were used at contract renewal time. The rate adjusted factor for our group for the three year period is approximately 112% compared to 113% for 2 1/2 years. Neither factor approaches the 5% cap that Kaiser put on the surcharge.

11. ANNOUNCEMENTS -

President Paretchan asked Heals representative, Carolyn Anderson for an update on the acquisition by Qual-Med. Ms. Anderson said no changes have occurred since the offer letter was signed in May.

12. ADJOURNMENT -

There being no further business, Commissioner Bernstein made a motion, which was seconded to adjourn the meeting at 5:15 P.M..

RANDALL B. SMITH
EXECUTIVE DIRECTOR

REPORT BY ACTUARY ON CASH BASIS FOR THE JUNE 12, 1990
MEETING OF THE HEALTH SERVICE BOARD

PLAN I

xperience for the period July 1, 1989 through May 31, 1990

	CONTRIBUTIONS	CLAIMS	LOSS RATIO FOR MONTH	LOSS RATIO CUMULATIVE
1) MEDICAL BENEFITS				
ctive Employees	$12,035,058[a]	$10,967,711	92%	91%
etired Employees (NM)	5,177,637	3,958,443	64	76
etired Employees (M)	4,158,415	1,957,708	52	47
dult Dependents (NM)	5,241,320	4,717,715	86	90
dult Dependents (M)	691,983	337,451	54	49
inor Dependents	2,699,498[b]	2,359,769	143	87
TOTAL	$30,003,911	$24,298,797	84%	81%
2) PRESCRIPTION DRUG BENEFIT				
ctive Employees	$ 1,649,030	$ 1,482,568	100%	90%
etired Employees (NM)	704,663	626,237	88	89
etired Employees (M)	2,041,981	1,945,445	101	95
TOTAL	$ 4,395,674	$ 4,054,250	99%	92%
3) VISION CARE BENEFIT				
ctive Employees	$ 471,146	$ 433,826	99%	92%
etired Employees (NM)	116,585	107,956	97	93
etired Employees (M)	337,596	247,502	75	73
TOTAL	$ 925,327	$ 789,284	90%	85%
4) ALL COVERAGES				
ctive Employees	$14,155,234	$12,884,105	93%	91%
etired Employees(NM)	5,998,885	4,692,636	67	78
etired Employees (M)	6,537,992	4,150,655	61	63
dult Dependents (NM)	5,241,320	4,717,715	86	90
dult Dependents (M)	691,983	337,451	54	49
inor Dependents	2,699,498	2,359,769	143	87
TOTAL	$35,324,912	$29,142,331	86%	82%

Includes $916,663 of principal subsidy.
Includes $643,500 of interest subsidy.

/90

HEALTH SERVICE SYSTEM
REGULAR MEETING OF THE HEALTH SERVICE BOARD OF THE CITY AND COUNTY OF SAN FRANCISCO HELD IN THE BOARD MEETING ROOM 1155 MARKET STREET, FOURTH FLOOR SAN FRANCISCO, CALIFORNIA

DOCUMENTS DEPT.
JUL 6 1990
SAN FRANCISCO PUBLIC LIBRARY

TUESDAY - JULY 10, 1990 - 4:00 P.M.

AGENDA

1. Call to Order.
2. Pledge of Allegiance.
3. Roll Call: Commissioner Deignan, Commissioner Foster, Commissioner Krueger, Commissioner Loos, President Paretchan, Commissioner Walker, Vice President Zvanski
4. Minutes of Regular Meeting of June 12, 1990 submitted for approval.
5. Actuarial Report - Rael & Letson
6. Report of Appeals Committee - President Paretchan, Chair
7. Old Business -
   a. Final Open Enrollment Activity Report
   b. Consideration of 1990-91 Hospital Contracts
   c. Consideration of 1990-91 Physician Fee Schedule
   d. Consideration of Administrative Fee and Ingredient Cost Increase by America's Pharmacy
8. New Business -
   a. Resolution of Commendation for Abraham Bernstein, M.D.
   b. Authorization for Board members and staff to attend IFEB Health Care Cost Management Conference on September 24-26, 1990.
9. Supplemental Agenda -
10. Executive Director's Report -
11. Announcements -
12. Adjournment -

[MINUTES]

HEALTH SERVICE SYSTEM
REGULAR MEETING OF THE HEALTH SERVICE BOARD OF THE CITY AND COUNTY OF SAN FRANCISCO HELD IN THE BOARD MEETING ROOM 1155 MARKET STREET, FOURTH FLOOR SAN FRANCISCO, CALIFORNIA

TUESDAY - JULY 10, 1990 - 4:05 P.M.

1. CALL TO ORDER - President Paretchan called the meeting to order at 4:05 P.M.

2. PLEDGE OF ALLEGIANCE -

3. ROLL CALL - President Paretchan announced that the Mayor had appointed Dr. Sidney E. Foster to the Health Service Board.

Present: Commissioner Foster	Commissioner Loos
Commissioner Deignan	President Paretchan
Commissioner Krueger	Vice President Zvanski

Absent: Commissioner Walker

4. MINUTES OF REGULAR MEETING OF JUNE 12, 1990 SUBMITTED FOR APPROVAL.

Commissioner Zvanski asked correction of item 10d of the word while to which. Commissioner Zvanski made a motion which was seconded, to approve the minutes as amended of the Regular Meeting of June 12, 1990. The motion was adopted (4-0 vote).

5. ACTUARIAL REPORT -

Ms. Hagler, Rael & Letson, reported the Plan I experience through June (Exhibit 'A') reflecting a year to date loss ratio of 81% (80% for the month) on medical benefits, 93% on prescription drugs (98% month), 86% on vision benefits, (89% month) and an overall loss ratio of 82% (82% month). She indicated that the active loss ratio would be at 97% instead of 91% without subsidy; the minor dependent loss ratio at 134% instead of 87% and an overall loss ratio of 86 instead of 82%.

Mr. Smith made the comment that overall expenditures for the year rose only 1.5% over the prior fiscal year although approximately 800 less lives were covered in 1989-90. Total expenditures rose less than .5 of 1 per cent; prescription drugs at 8.2% and vision expenditures at 2.5%.

After discussion, the President ordered the report filed.

Note: Commissioner Foster and Commissioner Krueger arrived during this item.

6. REPORT OF APPEALS COMMITTEE - President Paretchan, Chair

President Paretchan reported that there were 61 appeals this month and that there is a recommendation to approve 34 appeals and deny 24 appeals with 3 still pending. Commissioner Deignan made a motion, which was seconded, to accept the recommendation of the Appeals Committee. The motion was approved 6-0 vote. The President indicated that the appeals for June increased 20% over June of last year and 43% pertained to dental or disability issues.

7. OLD BUSINESS -

a. Final Open Enrollment Activity Report -

Mr. Smith reported on the final open enrollment activity which reflected the same trends as shown on the June report.

A heavy disenrollment in the Bay Pacific Plan occurred with the loss of 1,817 lives in the Plan and the gain of 1,859 lives to the Bridgeway Plan. In addition, the DentiCare Dental Plan gained over 1,200 subscribers.

A summary of the activity (Exhibit B1-B5) was provided to the Board and reviewed. (Information item only)

b. Consideration of 1990-91 Hospital Contracts -

The hospital contracts for Children's, St. Mary's, Novato and Sonora were submitted for approval and discussed (Exhibit 'C').

After discussion, Commissioner Krueger made a motion, which was seconded, to approve the Children's Hospital contract. The motion passed 6-0 vote.

Commissioner Zvanski made a motion, which was seconded, to approve the St. Mary's Hospital & Medical Center contract. The motion passed 6-0 vote.

Commissioner Zvanski made a motion, which was seconded, to approve the Novato Community Hospital contract. The motion passed 6-0 vote.

Commissioner Foster made a motion, which was seconded, to approve the Sonora Community Hospital contract. The motion passed 6-0 vote.

St. Luke's and Alta Bates are the only hospital contracts still outstanding.

A Rates and Benefits Committee meeting was set for Monday, July 16 at 10:30 A.M. to consider the St. Luke's contract.

7. OLD BUSINESS (cont'd.) -

c. Consideration of 1990-91 Physician Fee Schedule -

The Redwood Empire Medical Group (REMGI) has notified us that they will not accept the physician rate schedule adopted by the Board for the 1990-91 fiscal year and that they are terminating their contract.

After discussion of REMGI's proposal, Commissioner Zvanski made a motion, which was seconded, to contact the Santa Rosa physicians directly to determine who wants to continue contracting with the Health Service System. The motion passed 6-0 vote.

d. Consideration of Administrative Fee and Ingredient Cost Increase by America's Pharmacy -

API has notified us in response to the Board's June 12th action that they are willing to increase the AWP-13% proposal to AWP-14% but without a two-year rate guarantee.

After discussion, Commissioner Loos made a motion, which was seconded, to accept the original proposal with the two-year price guarantee, subject to the City Attorney's position that the contract is annually renewable. If not annually renewable, accept the counterproposal. The motion passed 6-0 vote.

8. NEW BUSINESS

a. Resolution of Commendation for Abraham Bernstein, M.D.-

President Paretchan read into the record a Resolution of Commendation (Exhibit 'D') for Dr. Abraham Bernstein. Commissioner Deignan made a motion, which was seconded, to adopt the resolution. The motion passed 6-0 vote.

President Paretchan conveyed Dr. Bernstein's gratitute to the Board and staff for their assistance during his years on the Board.

b. Authorization for Board members and staff to attend IFEB Health Care Cost Management Conference on September 24-26, 1990-

Commissioner Deignan made a motion, which was seconded, to authorize attendance at the IFEB conference September 24-26, 1990. The motion passed 6-0 vote (Exhibit 'E').

c. Bay Pacific OB/GYN Notification Letter -

Discussion was held on the Bay Pacific notification that OB/GYN physicians would no longer be offered as primary care physicians and that individuals who currently have OB/GYN primary physicians will be required to change physicians.

After discussion, President Paretchan requested that Bay Pacific have a representative attend the Rates and Benefits Committee meeting on July 16th to discuss this issue further.

9. SUPPLEMENTAL AGENDA -

   a. Proposed Charter Amendment amending Section 8.420 -

      Mr. Smith reported that there is no need to hear this charter proposal at this time, since it has been tabled by the Board of Supervisors Administration and Oversight Committee because of a number of problems that arose in the language proposed.

10. EXECUTIVE DIRECTOR'S REPORT -

    Mr. Smith reported the following:

    a. The outstanding claim count is 5,631 or about 1 1/2 weeks backlog.

    b. The administrative baseline budget as approved by the Mayor's office has been left intact at this time by the Finance Committee, although the total budget has been forwarded to the Board of Supervisors without recommendation.

    c. A merger between Children's Hospital and Pacific Presbyterian Medical Center is imminent with a vote by the Board of Directors of each institution occurring today.

    d. The S.F. Veterans Police Officers Association has written the Board of Supervisors urging no reduction in the Health Service budget.

11. ANNOUNCEMENTS - None

12. ADJOURNMENT -

    There being no further business, President Paretchan adjourned the meeting at 5:34 P.M. in honor of Dr. Bernstein's twenty-seven years on the Board.

Randall B. Smith

RANDALL B. SMITH
EXECUTIVE DIRECTOR

REPORT BY ACTUARY ON CASH BASIS FOR THE JULY 10, 1990
MEETING OF THE HEALTH SERVICE BOARD

PLAN I

xperience for the period July 1, 1989 through June 30, 1990

	CONTRIBUTIONS	CLAIMS	LOSS RATIO FOR MONTH	LOSS RATIO CUMULATIVE
1) MEDICAL BENEFITS				
ctive Employees	$13,044,283[a]	$11,836,548	86%	91%
etired Employees (NM)	5,625,410	4,299,358	76	76
etired Employees (M)	4,532,675	2,187,133	61	48
dult Dependents (NM)	5,676,216	5,102,213	88	90
dult Dependents (M)	754,866	373,975	58	50
inor Dependents	2,927,193[b]	2,534,016	77	87
TOTAL	$32,560,643	$26,333,243	80%	81%
2) PRESCRIPTION DRUG BENEFIT				
ctive Employees	$ 1,786,537	$ 1,621,508	101%	91%
etired Employees (NM)	765,575	681,183	90	89
etired Employees (M)	2,226,206	2,125,817	98	95
TOTAL	$ 4,778,319	$ 4,428,507	98%	93%
3) VISION CARE BENEFIT				
ctive Employees	$ 510,330	$ 471,787	97%	92%
etired Employees (NM)	126,653	129,386	213	102
etired Employees (M)	368,035	258,772	37	70
TOTAL	$ 1,005,018	$ 859,944	89%	86%
4) ALL COVERAGES				
ctive Employees	$15,341,150	$13,929,842	88%	91%
etired Employees (NM)	6,517,638	5,109,926	80	78
etired Employees (M)	7,126,916	4,571,722	71	64
dult Dependents (NM)	5,676,216	5,102,213	88	90
dult Dependents (M)	754,866	373,975	58	50
inor Dependents	2,927,193	2,534,016	76	87
TOTAL	$38,343,979	$31,621,694	82%	82%

Includes $1,000,000 of principal subsidy.
Includes $702,000 of interest subsidy.

HEALTH SERVICE SYSTEM
REGULAR MEETING OF THE HEALTH SERVICE BOARD
OF THE CITY AND COUNTY OF SAN FRANCISCO
HELD IN THE BOARD MEETING ROOM
1155 MARKET STREET, FOURTH FLOOR
SAN FRANCISCO, CALIFORNIA

TUESDAY - AUGUST 14, 1990 - 4:00 P.M.

AGENDA

1. Call to Order.
2. Pledge of Allegiance.
3. Roll Call: Commissioner Deignan, Commissioner Foster, Commissioner Krueger, Commissioner Loos, President Paretchan, Commissioner Walker, Vice President Zvanski
4. Minutes of Regular Meeting of July 10, 1990 submitted for approval.
5. Actuarial Report - Rael & Letson
6. Report of Appeals Committee - President Paretchan, Chair
7. Report of Rates and Benefits Committee - Commissioner Deignan, Chair
8. Old Business -
   a. Consideration of 1990-91 Hospital Contracts
9. New Business -
   a. Request for Preferred Provider Participation by Various Providers
   b. Status of DentiCare Dental Plan
   c. Discussion of Change in the Open Enrollment Period
   d. Status of Santa Rosa Physician Contracts
10. Supplemental Agenda -
11. Executive Director's Report -
12. Announcements -
13. Adjournment -

DOCUMENTS DEPT.
AUG 1
SAN FRANCISCO
PUBLIC LIBRARY

Dist. 'C'
0143A-2

5

4/90

HEALTH SERVICE SYSTEM
REGULAR MEETING OF THE HEALTH SERVICE BOARD OF THE CITY AND COUNTY OF SAN FRANCISCO HELD IN THE BOARD MEETING ROOM 1155 MARKET STREET, FOURTH FLOOR SAN FRANCISCO, CALIFORNIA

MINUTES

TUESDAY - AUGUST 14, 1990 - 4:00 P.M.

1. CALL TO ORDER - President Paretchan called the meeting to order at 4:00 P.M.

2. PLEDGE OF ALLEGIANCE -

3. ROLL CALL -

Present: Commissioner Foster
Commissioner Deignan
Commissioner Loos
President Paretchan
Vice President Zvanski

Absent: Commissioner Krueger
Commissioner Walker

4. MINUTES OF REGULAR MEETING OF JULY 10, 1990 SUBMITTED FOR APPROVAL.

Commissioner Foster made a motion which was seconded, to approve the minutes of the Regular Meeting of July 10, 1990. The motion was adopted (4-0 vote).

5. ACTUARIAL REPORT -

Mr. Rael, Rael & Letson, reported the Plan I experience for the month of July (Exhibit 'A') reflecting a loss ratio of 75% for the month on medical benefits, 118% on prescription drugs, 81% on vision benefits, and an overall loss ratio of 81%. He indicated that there were three biweekly pay periods on the revenue side and three prescription drug billings on the expenditure side during this month. (Information item only).

6. REPORT OF APPEALS COMMITTEE - President Paretchan, Chair

President Paretchan reported that there were 66 appeals this month and that there is a recommendation to approve 29 appeals and deny 35 appeals with 2 still pending. Commissioner Deignan made a motion, which was seconded, to accept the recommendation of the Appeals Committee. The motion was approved 4-0 vote. The President indicated that of the 61 appeals in June, 43% of the appeals pertained to dental or disability issues and this month 42% of the appeals pertained to dental issues, primarily with the DentiCare Dental Plan.

7. REPORT OF RATES AND BENEFITS COMMITTEE - Commissioner Deignan, Chair

a. St. Luke's Hospital -

Commissioner Deignan reported that at the Committee's meeting on July 16th, the Committee voted to offer St. Luke's Hospital an $800 per diem for medical/surgical days and a 10% increase in all other per diem categories. Commissioner Zvanski made a motion, which was seconded, to approve the recommendation of the Committee. The motion passed 5-0 vote.

Note: Commissioner Zvanski arrived during discussion of this item.

b. Bay Pacific OB/GYN Physicians-

Bay Pacific has sent out a revised notification letter to the San Francisco IPA participants incorporating comments of the Board in the revised letter. A followup letter was also sent to the San Mateo IPA members.

Mr. Dirk DeLange of Bay Pacific reported that they have received 36 phone calls from the August 6th mailing and all have been resolved at this time with the exception of one case.

The President asked staff to track the number of telephone calls received on this issue. The Board was generally satisfied with the letter revisions and the accomodation for member concerns that Bay Pacific has instituted at the Board's request. (Information item only).

8. OLD BUSINESS -

c. Consideration of 1990-91 Hospital Contracts -

Mr. Smith reported that Alta Bates Hospital has agreed to hold their OB rate in exchange for a change in the stop loss provision. The change, however, if in place during the 1989-90 fiscal year, would have cost about $60,000. After discussion of alternatives including other hospitals, it was the consensus of the Board to continue this item as the stop loss change was unacceptable.

9. NEW BUSINESS -

a. Request of Preferred Provider Participation by Various Providers-

Mr. Smith reported that a number of free standing health professionals (including psychologists, LCSW and MFCC's) have requested participation in the Preferred Provider Program. Although the Board adopted a policy in 1986 of reviewing these requests during the annual review of plans, the issue is brought up at this time because of the printing of the Preferred Provider Directory.

Staff also requested the Board's approval to add any laboratory or MRI facility which would enhance the geographical coverage of the program in the Bay Area counties.

After discussion, Commissioner Zvanski made a motion, which was seconded, to approve staff's request on the laboratory and MRI facilities and to review geographical coverage on the other health professionals who have made application. The motion passed 5-0 vote.

b. Status of DentiCare Dental Plan-

Mr. Smith reported that the Department of Corporations had issued a Cease and Desist Order against DentiCare on July 20, 1990 which ordered DentiCare to immediately cease enrolling new members and operating its illegal indemnity plans.

The Order was modified and clarified on August 2, 1990 to allow continuing new enrollment and marketing of DentiCare's prepaid dental programs.

A discussion ensued involving the number of dental plan complaints received by the Appeals Committee. A record of these complaints will be maintained and provided to DentiCare and Board members. (Information item only).

9. NEW BUSINESS - (cont'd.)

c. Discussion of Change in the Open Enrollment Period -

President Paretchan recommended that the open enrollment period be moved to the month of April to allow staff more time to process open enrollment changes and address problems which occur because of open enrollment as well as allow the various plans the additional time to process applications and get membership cards and materials to members.

After discussion, Commissioner Zvanski made a motion, which was seconded, that it be the intent of the Board to move the open enrollment period from the month of May to the month of April commencing in 1991. The motion passed 5-0 vote.

d. Status of Santa Rosa Physician Contracts -

Mr. Smith reported that 60 of 148 Santa Rosa physicians have responded affirmatively to continue contracting with the System. Forty of 121 in the REMGI group have responded and 19 of 26 in the non REMGI group.

Most physicians have not responded at this time and a written or verbal followup is planned. (Information item only).

10. SUPPLEMENTAL AGENDA - None

11. EXECUTIVE DIRECTOR'S REPORT -

Mr. Smith reported the following:

a. The outstanding claim count is at 8,913 primarily caused by vacation absences and the fact that over the last six weeks incoming claims have averaged 4,480 per week. Our weekly average last fiscal year was 3,856 per week.

b. The administrative baseline budget was approved by the Board of Supervisors without any cuts. However, the Mayor held a meeting on August 1st at which it was indicated that City departments may have to cut up to 2% of their budgets because of State budget cuts.

11. ANNOUNCEMENTS -

President Paretchan acknowledged Mr. Steve McIlvenna from Foundation Health Plan who introduced Mr. Bob Bruce, Director of Sales.

12. ADJOURNMENT -

There being no further business, President Paretchan adjourned the meeting at 5:25 P.M. in memory of Frank Lucibello, a former member of the Health Service Board from 1974-1979, who passed away on July 11, 1990.

Randall B. Smith

RANDALL B. SMITH
EXECUTIVE DIRECTOR

REPORT BY ACTUARY ON CASH BASIS FOR THE AUGUST 14, 1990 MEETING OF THE HEALTH SERVICE BOARD

PLAN I

Experience for the period July 1, 1990 through July 31, 1990

	CONTRIBUTIONS	CLAIMS	LOSS RATIO FOR MONTH	LOSS RATIO CUMULATIVE
(1) MEDICAL BENEFITS				
Active Employees	$ 1,460,018	$ 1,131,649	78%	78%
Retired Employees (NM)	459,734	359,990	78	78
Retired Employees (M)	447,234	256,397	57	57
Adult Dependents (NM)	573,559	412,934	72	72
Adult Dependents (M)	64,830	49,036	77	77
Minor Dependents	209,346	206,044	98	98
TOTAL	$ 3,214,721	$ 2,416,050	75%	75%
(2) PRESCRIPTION DRUG BENEFIT				
Active Employees	$ 200,375	$ 204,227	102%	102
Retired Employees (NM)	67,309	83,306	124	124
Retired Employees (M)	201,608	266,310	132	132
TOTAL	$ 469,292	$ 553,843	118%	118%
(3) VISION CARE BENEFIT				
Active Employees	$ 55,035	$ 39,398	72%	72%
Retired Employees (NM)	11,000	10,037	91	91
Retired Employees (M)	26,357	25,641	97	97
TOTAL	$ 92,392	$ 75,076	81%	81%
(4) ALL COVERAGES				
Active Employees	$ 1,715,478	$ 1,375,273	80%	80%
Retired Employees (NM)	538,043	453,332	84	84
Retired Employees (M)	675,198	548,348	81	81
Adult Dependents (NM)	573,559	412,934	72	72
Adult Dependents (M)	64,830	49,636	77	77
Minor Dependents	209,346	206,044	98	98
TOTAL	$ 3,776,454	$ 3,045,567	81%	81%

HEALTH SERVICE SYSTEM
REGULAR MEETING OF THE HEALTH SERVICE BOARD OF THE CITY AND COUNTY OF SAN FRANCISCO HELD IN THE BOARD MEETING ROOM 1155 MARKET STREET, FOURTH FLOOR SAN FRANCISCO, CALIFORNIA

TUESDAY - SEPTEMBER 11, 1990 - 4:00 P.M.

AGENDA

1. Call to Order.
2. Pledge of Allegiance.
3. Roll Call: Commissioner Deignan, Commissioner Foster, Commissioner Krueger, Commissioner Loos, President Paretchan, Commissioner Walker, Vice President Zvanski
4. Minutes of Regular Meeting of August 14, 1990 submitted for approval.
5. Actuarial Report - Rael & Letson
6. Report of Appeals Committee - President Paretchan, Chair
7. Old Business -
   a. Consideration of 1990-91 Hospital Contracts
   b. Request for Prefered Provider Participation by Various Providers
   c. Status of Santa Rosa Physician Contracts
8. New Business -
9. Supplemental Agenda -
10. Executive Director's Report -
11. Announcements -
12. Adjournment -

Dist. 'C'
0143A-2

HEALTH SERVICE SYSTEM
REGULAR MEETING OF THE HEALTH SERVICE BOARD OF THE CITY AND COUNTY OF SAN FRANCISCO HELD IN THE BOARD MEETING ROOM 1155 MARKET STREET, FOURTH FLOOR SAN FRANCISCO, CALIFORNIA

MINUTES

DOCUMENTS DEPT.
NOV 8 - 1990
SAN FRANCISCO PUBLIC LIBRARY

TUESDAY - SEPTEMBER 11, 1990 - 4:00 P.M.

1. CALL TO ORDER - President Paretchan called the meeting to order at 4:10 P.M.

2. PLEDGE OF ALLEGIANCE -

3. ROLL CALL -

Present:	Commissioner Deignan	President Paretchan
	Commissioner Loss	Vice President Zvanski
Absent:	Commissioner Foster	
	Commissioner Krueger	
	Commissioner Walker	

4. MINUTES OF REGULAR MEETING OF AUGUST 14, 1990 SUBMITTED FOR APPROVAL.

   Commissioner Deignan made a motion which was seconded, to approve the minutes of the Regular Meeting of August 14, 1990. The motion was adopted (4-0 vote).

5. ACTUARIAL REPORT -

   Mr. Rael, Rael & Letson, reported the Plan I experience through August (Exhibit 'A') reflecting a loss ratio of 99% for the month (85% for year to date) on medical benefits, 94% on prescription drugs (107% for year), 118% on vision benefits (98% for year), and an overall loss ratio of 99% (88% year to date). He indicated that two months interest subsidy is included for the minor dependent category. The report was ordered filed.

6. REPORT OF APPEALS COMMITTEE - President Paretchan, Chair

President Paretchan reported that there were 53 appeals this month and there is a recommendation to approve 39 appeals and deny 14 appeals. Commissioner Loos made a motion, which was seconded, to accept the recommendation of the Appeals Committee. The motion was approved 4-0 vote. The President indicated that the 53 appeals represented a 71% increase over 1989. The Board was provided with copies of 14 dental complaint letters with 13 involving DentiCare and 1 involving Colonial.

7. OLD BUSINESS -

a. Consideration of 1990-91 Hospital Contracts -

Mr. Smith reported that no response has been received from Alta Bates Hospital on the stop loss issue. The contract continues to be paid at the existing rates. The item was continued.

b. Request of Preferred Provider Participation by Various Providers-

Mr. Smith reported that seven requests from mental health providers have been received, however, only two of the providers (an LCSW in Oakland and an MFCC in Lafayette) would increase our geographical coverage. After discussion, Commissioner Deignan made a motion, which was seconded to continue this item. The motion passed 4-0 vote.

It was determined that there was adequate independent laboratory coverage in all counties. There were, however, only two MRI sites in San Francisco and two in Santa Clara County.

Another MRI facility with a site in San Francisco and one in Marin County wishes to contract with us. After discussion, Commissioner Loos made a motion, which was seconded, to continue this issue to obtain more information on this provider and review it with Commissioner Foster. The motion passed 4-0 vote.

c. Status of Santa Rosa Physician Contracts -

Mr. Smith reported that the followup on the Santa Rosa physicians resulted in a favorable response from 12 additional physicians. There are now 72 physicians out of 148 who will continue to contract with the System. (Information item only).

d. Bay Pacific OB/GYN Physicians -

President Paretchan inquired from Bay Pacific on the number of telephone calls received from members on this provider change. Debby Stephenson responded that their Member Services Department has received about five telephone calls a day and there have been no problems. (Information item only)

8. NEW BUSINESS -

   a. It was requested that the Mayor's Task Force Report on Family Policy be referred to Committee. The President directed the request to the Rates and Benefits Committee and a tentative date for initial hearing was set for Monday, October 15, 1990 at 11:00 A.M.

9. SUPPLEMENTAL AGENDA - None

10. EXECUTIVE DIRECTOR'S REPORT -

    Mr. Smith reported the following:

    a. The outstanding claim count is at 8,071 and represents about a two-week backlog.

    b. The annual audit is in progress with Peat, Marwick to complete their work this week. They have been on site for 3 weeks. The report should be issued in October.

    c. There have been no actions taken as yet to reduce the administrative budget.

11. ANNOUNCEMENTS -

    President Paretchan announced that there will be a testimonial dinner for Dr. Abraham Bernstein on October 18, 1990, at the Presidio Officer's Club.

12. ADJOURNMENT -

    There being no further business, President Paretchan adjourned the meeting at 4:55 P.M.

Randall B. Smith

RANDALL B. SMITH
EXECUTIVE DIRECTOR

REPORT BY ACTUARY ON CASH BASIS FOR THE SEPTEMBER 11, 1990 MEETING OF THE HEALTH SERVICE BOARD

PLAN I

xperience for the period July 1, 1990 through August 31, 1990

	CONTRIBUTIONS	CLAIMS	LOSS RATIO FOR MONTH	LOSS RATIO CUMULATIVE
1) MEDICAL BENEFITS				
ctive Employees	$ 2,492,036	$ 2,226,938	106%	89%
etired Employees (NM)	907,797	889,396	118	98
etired Employees (M)	891,752	505,586	56	57
dult Dependents (NM)	1,003,007	837,464	99	83
dult Dependents (M)	129,640	91,655	65	71
inor Dependents	474,162*	472,641	129	100
TOTAL	$ 5,898,394	$ 5,023,680	99%	85%
2) PRESCRIPTION DRUG BENEFIT				
ctive Employees	$ 341,698	$ 346,209	100%	101
etired Employees (NM)	133,124	137,143	82	103
etired Employees (M)	402,008	452,420	93	113
TOTAL	$ 876,830	$ 935,772	94%	107%
3) VISION CARE BENEFIT				
ctive Employees	$ 93,889	$ 86,033	120%	92%
etired Employees (NM)	21,753	23,991	130	110
etired Employees (M)	52,405	54,052	109	103
TOTAL	$ 168,047	$ 164,076	118%	98%
4) ALL COVERAGES				
ctive Employees	$ 2,927,623	$ 2,659,180	106%	91%
etired Employees (NM)	1,062,674	1,050,530	114	99
etired Employees (M)	1,346,165	1,012,058	69	75
dult Dependents (NM)	1,003,007	837,464	99	83
dult Dependents (M)	129,641	91,655	65	71
inor Dependents	474,162*	472,641	129	100
TOTAL	$ 6,943,272	$ 6,123,528	99%	88%

Includes $117,000 of interest subsidy.

90

HEALTH SERVICE SYSTEM
REGULAR MEETING OF THE HEALTH SERVICE BOARD
OF THE CITY AND COUNTY OF SAN FRANCISCO
HELD IN THE BOARD MEETING ROOM
1155 MARKET STREET, FOURTH FLOOR
SAN FRANCISCO, CALIFORNIA

TUESDAY - OCTOBER 9, 1990 - 4:00 P.M.

AGENDA

1. Call to Order.
2. Pledge of Allegiance.
3. Roll Call:

Commissioner Deignan	President Paretchan
Commissioner Foster	Commissioner Walker
Commissioner Krueger	Vice President Zvanski
Commissioner Loos	

4. Minutes of Regular Meeting of September 11, 1990 submitted for approval.
5. Actuarial Report - Rael & Letson
6. Report of Appeals Committee - President Paretchan, Chair
7. Old Business -
   a. Consideration of 1990-91 Hospital Contracts
8. New Business -
   a. Status Report on Bay Pacific Health Plan
   b. Change Open Enrollment Period to April, 1991 (President Paretchan)
9. Supplemental Agenda -
10. Executive Director's Report -
11. Announcements -
12. Adjournment -

Dist. 'C'
0143A-2

MINUTES

DOCUMENTS DEPT.
DEC 5
PUBLIC LIBRARY

HEALTH SERVICE SYSTEM
REGULAR MEETING OF THE HEALTH SERVICE BOARD
OF THE CITY AND COUNTY OF SAN FRANCISCO
HELD IN THE BOARD MEETING ROOM
1155 MARKET STREET, FOURTH FLOOR
SAN FRANCISCO, CALIFORNIA

TUESDAY - OCTOBER 9, 1990 - 4:00 P.M.

1. CALL TO ORDER - President Paretchan called the meeting to order at 4:05 P.M.

2. PLEDGE OF ALLEGIANCE -

3. ROLL CALL -

Present: Commissioner Foster
Commissioner Krueger
Commissioner Loos
President Paretchan
Vice President Zvanski

Absent: Commissioner Deignan
Commissioner Walker

4. MINUTES OF REGULAR MEETING OF SEPTEMBER 14, 1990 SUBMITTED FOR APPROVAL.

Commissioner Foster made a motion which was seconded, to approve the minutes of the Regular Meeting of September 14, 1990. The motion was adopted (5-0 vote).

5. ACTUARIAL REPORT -

Mr. Rael, Rael & Letson, reported the Plan I experience through September (Exhibit 'A') reflecting a loss ratio of 105% for the month (92% for year to date) on medical benefits, 93% on prescription drugs (102% for year), 92% on vision benefits (96% for year), and an overall loss ratio of 104% (93% year to date). He indicated that three months interest subsidy is included for the minor dependent category which reflects the 93% overall loss ratio instead of 95%. He also indicated that there was large expenditures in the minor dependent hospital cost category resulting in a 195% loss ratio for the month.

A comparison of monthly claim costs by category for the last three years and the 1st quarter of 1990-91 (Exhibit 'B') was presented to the Board and reviewed by Mr. Rael. The report was requested by Commissioner Loos and will be produced quarterly for the Board. The actuarial reports were ordered filed.

6. REPORT OF APPEALS COMMITTEE - President Paretchan, Chair

President Paretchan reported that there were 22 appeals this month and there is a recommendation to approve 11 appeals and deny 8 appeals with 3 still pending. Commissioner Zvanski made a motion, which was seconded, to accept the recommendation of the Appeals Committee. The motion was approved 5-0 vote. The Board was provided with copies of 4 dental complaint letters with 2 involving DentiCare and 2 involving Safeguard.

7. OLD BUSINESS -

a. Consideration of 1990-91 Hospital Contracts -

Mr. Smith reported that Alta Bates Hospital has agreed to leave the stop loss formula as is and therefore it is recommended that the contract be approved effective with services July 1, 1990. Commissioner Zvanski made a motion, which was seconded to approve the Alta Bates Hospital contract. The motion passed 5-0 vote.

St. Mary's Hospital now remains the only hospital with a contract still pending. Although the Board approved their contract in July contingent on resolution of their stop loss provision change, they are still insistent on a change in the stop loss formula. Therefore, the contract has not been finalized.

8. NEW BUSINESS -

a. Status Report on Bay Pacific Health Plan -

Mr. Paul Swenson, Chief Financial Officer at Bay Pacific presented an overview of the current financial and claims status of Bay Pacific and their accomplishments and objectives in 1990 (Exhibit 'C' to 'C-3').

Mr. Dirk DeLange, Vice President, Marketing, presented a report (Exhibit 'D') on the response of City employees to the OB/GYN primary care change. 157 of 403 have still not selected a new primary physician. A second letter mailing will be going out to the S.F. IPA members next week. The Board engaged in a question and answer session with Bay Pacific on both presentations. (Information item only).

8. NEW BUSINESS - (cont'd.)

b. Heals Health Plan Specialty Care Referral System -

President Paretchan recognized Mr. Ted Lynch, Account Representative and Dr. William Popik, Vice President, Medical Affairs, who explained that Heals will introduce a new referral system effective October 22, 1990.

The referral system is a paper referral process between the primary care physician and Heals rather than the present telephonic communication. It covers all elective care referrals. Heals will mail the member, primary physician and specialist physician a decision on the referral request within 5 working days. It was stated that the notification letter to Heals membership has already been mailed.

The Board engaged the Heals representatives in a discussion of the new referral system and admonished them about notification to the System in advance of changes being implemented which affect City employees. (Information item only).

c. Change Open Enrollment Period to April, 1991 -

President Paretchan asked the Board to make firm its committment to change the open enrollment period to the month of April, 1991. Mr. Kolm, Deputy City Attorney, indicated that this change may require a meet and confer obligation. It was decided to continue this item until a determination is made.

9. SUPPLEMENTAL AGENDA - None

10. EXECUTIVE DIRECTOR'S REPORT -

Mr. Smith reported the following:

a. The outstanding claim count is at 6,079 compared to 8,071 last month. It has taken use of supervisory personnel to assist with addressing the large backlog.

b. The departmental budget has not been reduced as of this date. It is now before the Board of Supervisors. (Note: Commissioner Zvanski stated that the Mayor's office told her that no change has been made to the department's budget.)

c. The annual audit has been completed by Peat Marwick and distributed to the Board.

d. Contractors have been advised to submit their renewal applications by October 31, 1990. Rates and Benefits Committee review should be able to commence around the week of November 19th

10. EXECUTIVE DIRECTOR'S REPORT - (cont'd.)

e. Foundation Health Plan has advised us that effective October 20th that they would no longer be contracting with Long's Drugs and that they will commence contracting with Raley's, Payless and other selected pharmacies. A letter has been sent to the membership.

11. ANNOUNCEMENTS -

President Paretchan recognized Mr. Julian Emerson, Colonial Life, who reported that the request to put the annual deductible on a fiscal year rather than calendar year basis cannot currently be accomplished by their system. He indicated that they will address this problem, which has arose only once to date, on an individual case basis.

He also indicated that Colonial will waive premiums for up to two months on any military reservist called up to serve in the Persian Gulf.

12. ADJOURNMENT -

There being no further business, President Paretchan adjourned the meeting at 5:32 P.M.

RANDALL B. SMITH
EXECUTIVE DIRECTOR

REPORT BY ACTUARY ON CASH BASIS FOR THE October 9, 1990
MEETING OF THE HEALTH SERVICE BOARD

PLAN I

Experience for the period July 1, 1990 through September 30, 1990

	CONTRIBUTIONS	CLAIMS	LOSS RATIO FOR MONTH	LOSS RATIO CUMULATIVE
(1) MEDICAL BENEFITS				
Active Employees	$ 3,544,425	$ 3,310,221	103%	93%
Retired Employees (NM)	1,378,976	1,402,422	109	102
Retired Employees (M)	1,339,683	828,731	72	62
Adult Dependents (NM)	1,449,794	1,301,676	104	90
Adult Dependents (M)	194,658	136,951	70	70
Minor Dependents	687,122*	888,085	195	129
TOTAL	$ 8,594,658	$ 7,868,086	105%	92%
(2) PRESCRIPTION DRUG BENEFIT				
Active Employees	$ 485,915	$ 486,708	97%	100%
Retired Employees (NM)	202,089	194,508	83	96
Retired Employees (M)	604,004	642,579	94	106
TOTAL	$ 1,292,008	$ 1,323,795	93%	102%
(3) VISION CARE BENEFIT				
Active Employees	$ 133,502	$ 126,698	103%	95%
Retired Employees (NM)	33,035	33,888	88	103
Retired Employees (M)	78,676	74,489	78	95
TOTAL	$ 245,213	$ 235,075	92%	96%
(4) ALL COVERAGES				
Active Employees	$ 4,163,842	$ 3,923,627	102%	94%
Retired Employees (NM)	1,614,100	1,630,818	105	101
Retired Employees (M)	2,022,363	1,545,799	79	76
Adult Dependents (NM)	1,449,794	1,301,676	104	90
Adult Dependents (M)	194,658	136,951	70	70
Minor Dependents	687,122*	888,085	195	129
TOTAL	$10,131,879	$ 9,426,956	104%	93%

*Includes $175,500 of interest subsidy.

DOCUMENTS DEPT.
NOV 7 - 1990
SAN FRANCISCO
PUBLIC LIBRARY

HEALTH SERVICE SYSTEM
REGULAR MEETING OF THE HEALTH SERVICE BOARD OF THE CITY AND COUNTY OF SAN FRANCISCO HELD IN THE BOARD MEETING ROOM 1155 MARKET STREET, FOURTH FLOOR SAN FRANCISCO, CALIFORNIA

TUESDAY - NOVEMBER 13, 1990 - 4:00 P.M.

AGENDA

1. Call to Order.
2. Pledge of Allegiance.
3. Roll Call: Commissioner Deignan, Commissioner Foster, Commissioner Krueger, Commissioner Loos, President Paretchan, Commissioner Walker, Vice President Zvanski
4. Minutes of Regular Meeting of October 9, 1990 submitted for approval.
5. Actuarial Report - Rael & Letson
6. Report of Appeals Committee - President Paretchan, Chair
7. Report of Rates and Benefits Committee - Commissioner Deignan, Chair
8. Old Business -
   a. Consideration of 1990-91 Hospital Contracts
   b. Change Open Enrollment Period to April, 1991
9. New Business -
10. Supplemental Agenda -
11. Executive Director's Report -
12. Announcements -
13. Adjournment -

Dist. 'C'
0143A-2

MINUTES

HEALTH SERVICE SYSTEM
REGULAR MEETING OF THE HEALTH SERVICE BOARD OF THE CITY AND COUNTY OF SAN FRANCISCO HELD IN THE BOARD MEETING ROOM 1155 MARKET STREET, FOURTH FLOOR SAN FRANCISCO, CALIFORNIA

TUESDAY - NOVEMBER 13, 1990 - 4:00 P.M.

1. CALL TO ORDER - President Paretchan called the meeting to order at 4:00 P.M.

2. PLEDGE OF ALLEGIANCE -

3. ROLL CALL -

   Present: Commissioner Deignan, Commissioner Foster, President Paretchan, Vice President Zvanski

   Absent: Commissioner Krueger, Commissioner Loos, Commissioner Walker

4. MINUTES OF REGULAR MEETING OF OCTOBER 9, 1990 SUBMITTED FOR APPROVAL.

   Commissioner Foster made a motion which was seconded, to approve the minutes of the Regular Meeting of October 9, 1990. The motion was adopted (4-0 vote).

5. ACTUARIAL REPORT -

   Mr. Rael, Rael & Letson, reported the Plan I experience through October (Exhibit 'A') reflecting a loss ratio of 121% for the month (98% for year to date) on medical benefits, 92% on prescription drugs (100% for year), 106% on vision benefits (98% for year), and an overall loss ratio of 117% (99% year to date).

   He indicated that the active, retired no medicare, and minor dependent categories are exceeding a 100% loss ratio as expected because of the rate freeze.

   Mr. Smith indicated in response to a question raised by Commissioner Loos at the last Board meeting that the minor dependent category has been adversely affected by a pre-mature baby who has been in and out of the hospital since last November. Over $424,000 in benefits have been paid since November of 1989. This one case has skewed the loss ratio in the minor dependent category from 110% to 132% year to date.

   After discussion, the report was ordered filed.

6. REPORT OF APPEALS COMMITTEE - President Paretchan, Chair

President Paretchan reported that there were 37 appeals this month and there is a recommendation to approve 24 appeals and deny 13 appeals. Commissioner Zvanski made a motion, which was seconded, to accept the recommendation of the Appeals Committee. The motion was approved 4-0 vote. The Board was again provided with copies of 6 dental complaint letters with 4 involving DentiCare, 1 involving Safeguard, and 1 involving Colonial.

7. REPORT OF RATES AND BENEFITS COMMITTEE - Commissioner Deignan, Chair

Commissioner Deignan reported that the Committee met on October 15, 1990, and took testimony on the Mayor's Family Policy Task Force report. A number of legal questions were raised which have been addressed to the City Attorney for response. The Committee also by motion asked that a Request for Proposal for an independent actuarial study be prepared for the next Committee meeting. (Information item only)

8. OLD BUSINESS -

a. Consideration of 1990-91 Hospital Contracts -

Mr. Smith reported that there is nothing further to report on the St. Mary's Hospital stop loss issue.

b. Change Open Enrollment Period to April, 1991 -

President Paretchan again asked the Board to make a firm committment on an April open enrollment period. All parties have been advised of the proposal and no opposition or problem has surfaced.

Commissioner Foster made a motion, which was seconded, to change the open enrollment period to April. After discussion, the motion passed 4-0 vote.

9. NEW BUSINESS -

President Paretchan questioned Bay Pacific on the Ross Valley Medical Group contract termination. (Information item only)

10. SUPPLEMENTAL AGENDA - None

11. EXECUTIVE DIRECTOR'S REPORT -

Mr. Smith reported the following:

a. The outstanding claim count is at 4,934 compared to 6,079 last month. This is the lowest monthly level since December, 1989.

b. Aetna and Bay Pacific announced on October 10th that the 20% Aetna ownership acquisition of Bay Pacific has now been completed.

c. Bay Pacific has advised us that the Ross Valley Medical Group in Marin County has terminated its contract effective December 31, 1990.

d. The City Plan Preferred Provider Directory is projected to be mailed out the 1st week of December.

12. ANNOUNCEMENTS -

Commissioner Deignan announced that the Rates and Benefits Committee meeting of November 19 has been moved to November 20th at 1:30 P.M.

13. ADJOURNMENT -

There being no further business, President Paretchan adjourned the meeting at 4:28 P.M.

Randall B. Smith

RANDALL B. SMITH
EXECUTIVE DIRECTOR

REPORT BY ACTUARY ON CASH BASIS FOR THE NOVEMBER 13, 1990 MEETING OF THE HEALTH SERVICE BOARD

PLAN I

xperience for the period July 1, 1990 through October 31, 1990

	CONTRIBUTIONS	CLAIMS	LOSS RATIO FOR MONTH	LOSS RATIO CUMULATIVE
1) MEDICAL BENEFITS				
ctive Employees	$ 4,597,917	$ 4,760,111	138%	104%
etired Employees (NM)	1,840,666	1,954,798	120	106
etired Employees (M)	1,792,995	1,120,353	64	62
dult Dependents (NM)	1,892,182	1,900,449	135	100
dult Dependents (M)	260,037	189,302	80	73
inor Dependents	899,137*	1,184,309	140	132
TOTAL	$11,282,934	$11,109,322	121%	98%
2) PRESCRIPTION DRUG BENEFIT				
ctive Employees	$ 630,100	$ 625,714	96%	99%
etired Employees (NM)	270,012	250,500	82	93
etired Employees (M)	808,390	832,086	93	103
TOTAL	$ 1,708,502	$ 1,708,300	92%	100%
3) VISION CARE BENEFIT				
ctive Employees	$ 173,082	$ 175,673	124%	101%
etired Employees (NM)	44,137	44,367	94	101
etired Employees (M)	105,282	97,180	85	92
TOTAL	$ 322,501	$ 317,220	106%	98%
4) ALL COVERAGES				
ctive Employees	$ 5,401,099	$ 5,561,498	132%	103%
etired Employees (NM)	2,154,815	2,249,665	114	104
etired Employees (M)	2,706,667	2,049,619	74	76
dult Dependents (NM)	1,892,182	1,900,449	135	100
dult Dependents (M)	260,037	189,302	80	73
inor Dependents	899,137*	1,184,309	140	132
TOTAL	$13,313,937	$13,134,842	117%	99%

*Includes $234,000 of interest study.

SF

HEALTH SERVICE SYSTEM
REGULAR MEETING OF THE HEALTH SERVICE BOARD OF THE CITY AND COUNTY OF SAN FRANCISCO HELD IN THE BOARD MEETING ROOM 1155 MARKET STREET, FOURTH FLOOR SAN FRANCISCO, CALIFORNIA

TUESDAY - DECEMBER 11, 1990 - 4:00 P.M.

DOCUMENTS DEPT.
DEC 5
SAN FRANCISCO PUBLIC LIBRARY

AGENDA

1. Call to Order.
2. Pledge of Allegiance.
3. Roll Call: Commissioner Deignan, Commissioner Foster, Commissioner Krueger, Commissioner Loos, President Paretchan, Commissioner Walker, Vice President Zvanski
4. Minutes of Regular Meeting of November 13, 1990 submitted for approval.
5. Actuarial Report - Rael & Letson
6. Report of Appeals Committee - President Paretchan, Chair
7. Report of Rates and Benefits Committee - Commissioner Deignan, Chair
8. Old Business -
   a. Consideration of 1990-91 Hospital Contracts- St. Mary's Hospital
9. New Business -
   a. Consideration of notification to Benefit Plans regarding possible inclusion of Domestic Partners for 1991-92 Fiscal Year.
10. Supplemental Agenda -
11. Executive Director's Report -
12. Announcements -
13. Adjournment -

Dist. 'C'
0143A-2

MINUTES

HEALTH SERVICE SYSTEM
REGULAR MEETING OF THE HEALTH SERVICE BOARD OF THE CITY AND COUNTY OF SAN FRANCISCO HELD IN THE BOARD MEETING ROOM 1155 MARKET STREET, FOURTH FLOOR SAN FRANCISCO, CALIFORNIA

TUESDAY - DECEMBER 11, 1990 - 4:00 P.M.

1. CALL TO ORDER - President Paretchan called the meeting to order at 4:00 P.M.

2. PLEDGE OF ALLEGIANCE -

3. ROLL CALL -

Present:	Commissioner Britt	Commissioner Loos
	Commissioner Deignan	President Paretchan
	Commissioner Foster	Vice-President Zvanski
	Commissioner Krueger	

4. MINUTES OF REGULAR MEETING OF NOVEMBER 13, 1990 SUBMITTED FOR APPROVAL.

   Commissioner Foster made a motion which was seconded, to approve the minutes of the Regular Meeting of November 13, 1990. The motion was adopted (6-0 vote).

5. ACTUARIAL REPORT -

   Mr. Rael, Rael & Letson, reported the Plan I experience through November (Exhibit 'A') reflecting a loss ratio of 76% for the month (94% for year to date) on medical benefits, 98% on prescription drugs (100% for year), 94% on vision benefits (97% for year), and an overall loss ratio of 79% (95% year to date).

   He indicated that the experience was good in November, however, he was hopeful that at least six months experience can be used for next year's rate setting. Mr. Smith noted that there were three holidays during November which affected the number of claims processed and in turn overall claim expenditures.

   After questioning from the Board and discussion, the report was ordered filed.

6. REPORT OF APPEALS COMMITTEE - President Paretchan, Chair

President Paretchan reported that there were only 4 appeals this month with a recommendation to approve 2 appeals and deny 2 appeals. Commissioner Zvanski made a motion, which was seconded, to accept the recommendation of the Appeals Committee. The motion was approved 6-0 vote. There were no dental complaint letters provided to the Board this month.

7. REPORT OF RATES AND BENEFITS COMMITTEE - Commissioner Deignan, Chair

Commissioner Deignan reported that the Committee met on November 28, 1990, and considered or moved on the following items:

a. A recommendation to the Board to approve a Request for Proposal to conduct an actuarial study on the cost of inclusion of domestic partners of City employees and the expansion of the definition of dependent children.

Commissioner Loos made a motion, which was seconded, to approve the RFP with a due date of noon on January 4, 1991.

Discussion followed regarding the deadline date, the intent of the dependent children eligibility expansion, and retiree coverage for domestic partners.

Testimony and comment was received from Supervisor-elect Achtenberg, Jaykee Ford (Retired Employees Association), Paul Chignell (POA), Matt Coles, Attorney, Tito Rael, System Actuary and Claude Kolm, Deputy City Attorney.

(Note: Supervisor Britt joined the meeting during discussion of this item and announced that Supervisor Walker had informed him that she has declined to serve the remainder of her term on the Health Service Board. As President of the Board of Supervisors, he had appointed himself to the Health Service Board pursuant to Charter Section 3.680).

Commissioner Loos' motion passed on a vote of 4-3 (Deignan, Krueger, Paretchan). The no votes expressed opposition to the date set for submission of proposals.

b. Commissioner Deignan recommended adoption of the expanded list of actuarial firms from ten to seventeen firms.

President Paretchan made a motion, which was seconded, to adopt and mail the RFP to the list of seventeen actuarial firms. Commissioner Foster asked that the firm of Stateco be added to the list with the provision that they be checked to see that they are a certified actuarial firm. Without objection, the motion passed 7-0 vote.

c. Commissioner Deignan reported that the Committee conducted an initial review of the proposed HMO rates and benefits for next fiscal year. This item was continued to the next meeting of the Committee.

7. REPORT OF RATES AND BENEFITS COMMITTEE - Commissioner Deignan, Chair (cont'd.)

   d. Commissioner Deignan asked that the next Committee meeting date be set. It was agreed to hold the meeting on December 17th at 9:00 A.M.

   e. Commissioner Deignan recommended that the Committee hear submitted proposals from HealthNet and TakeCare at that meeting.

      Commissioner Zvanski made a motion, which was seconded, to hear the proposals. The motion passed 7-0 vote.

8. OLD BUSINESS -

   a. Consideration of 1990-91 Hospital Contracts - St. Mary's Hospital

      Mr. Smith reported the chronology of rate negotiations with St. Mary's Hospital and the effort to resolve the stop loss provision obstacle.

      In an effort to bring the last outstanding hospital contract for the 1990-91 fiscal year to conclusion, staff agreed to bring a St. Mary's proposal before the Board which would incorporate an additional stop loss provision of "in no event will reimbursement be less than 50% of billed charges for hospital stays of 4 days or less." Along with this proposal, an approximate rate increase of 5% would take effect October 1, 1990.

      However, staff still feels this is too costly at about $115,000 for the year or about a 12% increase. It is recommended that this proposal instead be approved effective January 1, 1991 reducing the annual cost to about $77,000 or an 8% increase.

      After discussion, Commissioner Deignan made a motion, which was seconded, to approve the contract as proposed effective January 1, 1991. The motion passed 7-0 vote.

   NOTE: Item No. 9a was acted upon prior to Item 8a.

9. NEW BUSINESS -

   a. Consideration of Notification to Benefit Plans Regarding Possible Inclusion of Domestic Partners for 1991-92 Fiscal Year.

      Deputy Mayor Claude Everhart requested that the Board hear this item out of order in deference to the people in attendance for this item. It was so ordered.

      Commissioner Loos explained that he asked that this item be calendared to give the health maintenance organizations due notice and time to provide the System the costs, if any, to provide the expanded coverage for July 1, 1991.

9. NEW BUSINESS - (cont'd.)

Commissioner Loos then made a motion, which was seconded, to ask the existing health maintenance organizations, and other benefit contractors, as well as other HMO's making proposals, to provide rates for inclusion of domestic partners of active and retired employees and the proposed expanded definition of dependent children. The motion passed 7-0 vote.

President Paretchan then made a motion, which was seconded, to amend the Request for Proposal to include the domestic partners of retired employees. The motion passed 7-0 vote.

10. SUPPLEMENTAL AGENDA -

Commissioner Zvanski made a motion, which was seconded, to hear the supplemental agenda. The motion passed 7-0 vote.

a. Bridgeway Health Plan - Termination of Contra Costa IPA Contract -

Mr. Smith indicated that Mr. Jerry Hill, Vice President, Bridgeway, contacted him on December 7th and advised him that Bridgeway was terminating its contract with the Contra Costa IPA effective December 31, 1990, because the IPA was having financial problems and was going out of business.

The Chair recognized Mr. Hill who explained that 76 Health Service System members were affected by this action, however, only 12 of the 76 individuals will not be able to continue with their existing primary care physician who either belonged to another IPA or has subsequently joined an IPA with which Bridgeway currently has a contract. Mr. Hill also provided the Board a copy of the letter to be sent to those members who will be able to retain their current physician, as well as the letter to the twelve members who must choose another physician. The Board engaged in a question and answer discussion with Mr. Hill. (Informational item only - no action taken)

11. EXECUTIVE DIRECTOR'S REPORT -

Mr. Smith reported the following:

a. The outstanding claim count is at 5,328 as of November 30th compared to 4,934 last month. This represents a 6 to 7 day backlog and is an insignificant increase considering three holidays occurred during the month.

b. The City Health Plan Preferred Provider Directory was provided to the Board and will be mailed out to members this week.

11. EXECUTIVE DIRECTOR'S REPORT - (cont'd.)

c. The Administration and Oversight Committee of the Board of Supervisors had on its agenda today an amendment to the Administrative Code to allow former City Supervisors to continue in the Health Service System while paying the full cost of their health coverage. Supervisor Britt indicated the item was passed out of Committee to the full Board for adoption.

d. The Mayor's office has indicated that City's fiscal situation is poor and that only baseline budget submissions will be considered for the 1991-92 fiscal year with minor modifications for such items as rent and mail cost increases. This will preclude requests for new positions.

12. ANNOUNCEMENTS -

President Paretchan, on behalf of the Board, wished everyone a very happy holiday.

13. ADJOURNMENT -

There being no further business, President Paretchan adjourned the meeting at 5:40 P.M.

Randall B. Smith

RANDALL B. SMITH
EXECUTIVE DIRECTOR

REPORT BY ACTUARY ON CASH BASIS FOR THE DECEMBER 11, 1990 MEETING OF THE HEALTH SERVICE BOARD

PLAN I

Experience for the period July 1, 1990 through November 30, 1990

	CONTRIBUTIONS	CLAIMS	LOSS RATIO FOR MONTH	LOSS RATIO CUMULATIVE
(1) MEDICAL BENEFITS				
Active Employees	$ 5,639,799	$ 5,705,237	91%	101%
Retired Employees (NM)	2,295,901	2,229,414	60	97
Retired Employees (M)	2,247,507	1,309,593	42	58
Adult Dependents (NM)	2,329,639	2,287,969	89	98
Adult Dependents (M)	325,467	229,216	61	70
Minor Dependents	1,106,385*	1,371,066	90	124
TOTAL	$13,944,698	$13,132,495	76%	94%
(2) PRESCRIPTION DRUG BENEFIT				
Active Employees	$ 772,623	$ 775,308	105%	100%
Retired Employees (NM)	336,965	307,904	86	91
Retired Employees (M)	1,012,652	1,031,216	97	102
TOTAL	$ 2,122,240	$ 2,114,428	98%	100%
(3) VISION CARE BENEFIT				
Active Employees	$ 212,195	$ 215,191	101%	101%
Retired Employees (NM)	55,079	54,244	90	98
Retired Employees (M)	131,842	119,575	84	91
TOTAL	$ 399,116	$ 389,010	94%	97%
(4) ALL COVERAGES				
Active Employees	$ 6,624,617	$ 6,695,736	93%	101%
Retired Employees (NM)	2,687,945	2,591,562	64	96
Retired Employees (M)	3,392,001	2,460,384	60	73
Adult Dependents (NM)	2,329,639	2,287,969	89	98
Adult Dependents (M)	325,467	229,216	61	70
Minor Dependents	1,106,385*	1,371,066	90	124
TOTAL	$16,466,054	$15,635,933	79%	95%

*Includes $292,500 of interest subsidy.